

Anne Arundel County

**Office of the County Auditor**



Legislation Review

# Review of the Fiscal Year 2025 Proposed Current Expense Budget and Capital Budget and Program

May 28, 2024

## **Anne Arundel County Council**

Council Chair Allison M. Pickard  
Council Vice Chair Julie K. Hummer  
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Councilmember Shannon Leadbetter  
Councilmember Lisa D. B. Rodvien  
Councilmember Peter Smith  
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## **Anne Arundel County Executive**

Steuart Pittman

The Office of the County Auditor was created by the Anne Arundel County Charter as an independent office reporting to the County Council to help establish accountability and improve County services. We conduct reviews of legislation for fiscal considerations as a duty assigned by the County Council via Resolution 48-15. This report includes our review of the Fiscal Year 2025 Proposed Current Expense Budget and Capital Budget and Program and the related bills that implement provisions of the proposed budget.

This report is intended solely for the use of the County Council and Anne Arundel County Management. We acknowledge the cooperation extended to us during the course of our review by the Office of the Budget and all other departments and agencies included in the proposed budget.

Copies of our legislation review reports are available at:

<https://www.aacounty.org/auditor/oca-reviews/legislation-reviews>

## **To Obtain Further Information**

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## **Introduction**

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In Resolution 48-15, under Section 311(c) of the County Charter, the County Council assigned an additional duty for the Office of the County Auditor (OCA) to submit a written document to the County Council addressing the fiscal considerations of each bill and resolution to be heard by the County Council. This report includes our review of the Fiscal Year 2025 (FY25) Proposed Current Expense Budget and Capital Budget and Program. The legislation that implements the proposed budget are Bills 33-24 through 48-24 and 53-24.

Appendix A includes operating recommendations and Appendix B includes capital recommendations based on our review of the FY25 proposed budget.

On May 13, 2024, we provided a presentation on our review of the budget and general comments on spending affordability and debt affordability. This presentation is included in Appendix C. Throughout the department and agency budget hearings, we provided reports to summarize our review of various FY25 proposed operating and capital budgets. These reports are included in Appendix D and E for these operating and capital reports, respectively.

## **County Revenues**

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We have reviewed the Administration's estimates for the material revenue sources to support the FY25 proposed budget and concur with the estimates within a reasonable margin and, from what we have reviewed, the assumptions used by the Administration are reasonable.

Along with the submitted Annual Budget and Appropriation Ordinance (ABAO), Bill 33-24, the Administration introduced several bills to establish tax rates that will provide the revenue to fund the proposed FY25 budget appropriations. Bills 34-24 through 48-24 and 53-24 establish various tax rates, including those for special taxing districts, special community benefit districts, shore erosion control districts, waterway improvement districts, utility customers, residents, and property tax payers.

We have reviewed the calculation of the rates and agree the rates will generate revenue to support the FY25 appropriation request in the ABAO.

The following table summarizes the tax changes included in certain bills:

| <b>Legislation</b>   | <b>Increase</b>  |
|--|--|
| Bill 43-24: Fee for Switched Local Exchange Access Service, Commercial Mobile Radio Service, and Other 9-1-1-Accessible Service        | \$0.75 to \$1.00 per month   |
| Bill 44-24: Construction Code – Department of Inspections and Permits – Fees   | Appx. 100 fees increased (majority increase by 73%)  |
| Bill 45-24: Public Works – Utilities – Metered Water and Wastewater Charges  | \$3.23 to \$3.45 water<br>\$5.67 to \$6.06 wastewater  |
| Bill 46-24: Public Works – Solid Waste Collection – Solid Waste Service Charge – Solid Waste Landfill and Facility Delivery Fees       | \$380 to \$404 curbside<br>\$85 to \$100/ton commercial<br>\$37.50 to \$44.20/cubic yard closed vehicle                  |
| Bill 47-24: Finance, Taxation, and Budget – Income Tax   | Middle bracket 2.81% to 2.94%  |
| Bill 48-24: Property Tax and Semiannual Payment Service Charge   | \$0.980 to \$0.983 County<br>\$0.586 to \$0.587 City of Annapolis<br>0.68% to 1.08% service charge on second installment |
| Bill 53-24: Public Works – Utilities – Water and Wastewater – Capital Facility Recoupment Charge – Capital Facility Connection Charges | \$3.81 to \$4.00 recoupment<br>\$10,286 to \$10,800 connection   |

## Property Tax Rates (Bill 48-24)

The FY25 Proposed Current Expense Budget incorporates the following property tax rate changes:

- From \$0.980 to \$0.983 per \$100 of assessed value for the County,
- From \$0.586 to \$0.587 per \$100 of assessed value for the City of Annapolis,
- From \$0.950 to \$0.953 per \$100 of assessed value for the Town of Highland Beach, and
- Semiannual payment schedule service fee increases from 0.68% to 1.08%.

This table shows how changes in the real property assessable base and proposed changes to property tax rates impact estimated FY25 property tax revenues. The majority of the FY25 increase in property tax revenues can be attributed to an increase in the assessable base.

| FY25 Property Tax Estimate  |                |               |                |
|---|----------------|---------------|----------------|
|   | County         | City          | Total          |
| Previous Real Property Base Less Tax Credits                              | 80,548,909,447 | 7,037,152,553 | 87,586,062,000 |
| New Real Property Base Less Tax Credits                                   | 82,510,992,015 | 7,400,543,151 | 89,911,535,166 |
| <b>FY24 Real Property Tax Rate:</b>                                       | <b>0.980</b>   | <b>0.586</b>  |                |
| Real Property Tax Yield FY24 Property Tax Rate @ Previous Assessable Base | 789,379,313    | 41,237,714    | 830,617,027    |
| Real Property Tax Yield FY24 Property Tax Rate @ New Assessable Base      | 808,607,722    | 43,367,183    | 851,974,905    |
| Difference of New Assessable Base @ Current Tax Rate                      | 19,228,409     | 2,129,469     | 21,357,878     |
|   |                |               |                |
| <b>FY25 Proposed Real Property Tax Rate:</b>                              | <b>0.983</b>   | <b>0.587</b>  |                |
| Real Property Tax Yield New Assessable Base @ FY25 Proposed Tax Rate      | 811,083,052    | 43,441,188    | 854,524,240    |
| Increase Based on Proposed Tax Rate Above Current Rate                    | 2,475,330      | 74,005        | 2,549,335      |

Note: Table does not reflect changes to rates for Highland Beach.

## Inspection and Permit Fees (Bill 44-24)

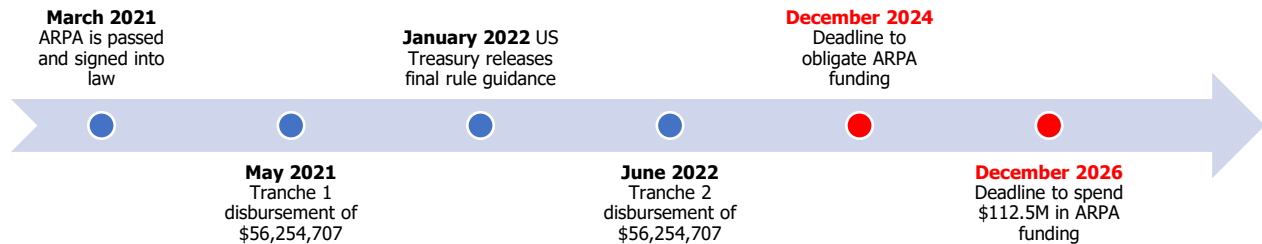
- Existing construction and grading permit fees with specified dollar values increase an average of 76% starting October 1, 2024. Many of the proposed increases are 73%, but there are exceptions.
- New fees for specified re-inspections and investigations of \$150.
- Requires fees to be adjusted annually in accordance with a specified employment cost index, beginning July 1, 2025.
- Select fee changes include:
  - building permit (\$20,001-\$25,000 estimated value) increases from \$140 to \$242;
  - grading, single-family dwelling, lot over 2,000 sq/ft increases from \$650 to \$1,124;
  - minimum electrical permit fee for a new single-family home increases from \$85 to \$147; and
  - certificate of occupancy penalty increases from \$500 to \$1,000.
- The FY25 proposed budget estimates revenues will increase by \$5,900,000 in FY25, by \$7,800,000 in FY26, and annually thereafter. This estimate assumes that the volume of permit issuance remains constant.

## Grant Funding

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American Rescue Plan Act of 2021 (ARPA) funds are programmed in the FY25 proposed budget, similar to how this occurred in prior budgets. The related timeline is shown in the chart below.

### Upcoming Deadlines



### Program Funding

The County received a total of \$112,509,400 in ARPA funding. According to the monthly ARPA report provided to the Council, as of April 30, 2024, there was \$102,429,100 in funds already assigned to various programs. The Administration advised that they have begun closing out certain previously approved program funding requests for projects with cost savings and reprogramming those funds to new projects. These changes should be provided in the May or June ARPA Report to the Council.

The FY25 proposed budget includes approximately \$10,600,000 in funds assigned to new programs. This includes \$7,980,000 in revenue replacement and \$2,620,000 for PAYGO for the capital budget. The PAYGO funding will support Recreation and Parks Facility Lighting (\$1,320,000), Brooklyn Park Community Center (\$1,000,000), and Grinder Pump Replacement/Upgrade (\$300,000).

The FY25 proposed budget also includes ARPA funding placeholders to deploy the remaining funds as follows:

- Department of Aging (\$5,000)
- Fire Department (\$1,000)
- Department of Health (\$10,400)
- Partnership for Children, Youth and Families (\$2,300)
- Department of Social Services (\$1,000)
- Office of Transportation (\$1,000)

## County and Community Grants

There are approximately \$8,120,000 in County funded grants to outside organizations funded by the General Fund and approximately \$3,450,000 in grants funded by other funds included in the FY25 proposed budget. The following table shows the breakdown of the FY25 proposed grants to outside organizations and the prior year approved budgets for similar funding:

| <b>Schedule of County Funded Grants to Outside Organizations</b>   |                      |                     |                      |                     |                        |
|--|----------------------|---------------------|----------------------|---------------------|------------------------|
| <b>Fiscal Years 2021 - 2025</b>  |                      |                     |                      |                     |                        |
| <b>Grant Category</b>  | <b>FY21</b>          | <b>FY22</b>         | <b>FY23</b>          | <b>FY24</b>         | <b>FY25</b>            |
|  | <b>Budget</b>        | <b>Budget</b>       | <b>Budget</b>        | <b>Budget</b>       | <b>Proposed Budget</b> |
| <b>Identified Grantees:</b>  |                      |                     |                      |                     |                        |
| Outside Organization Grants  | \$ 1,838,800         | \$ 2,540,910        | \$ 4,491,800         | \$ 4,182,400        | \$ 6,097,900           |
| Cultural Grants  | 384,000              | 405,000             | 338,000              | 404,365             | 397,865                |
| Teen Grants  | 6,000                | 8,000               | 8,000                | 8,000               | 8,000                  |
| Maintenance Grants   | 313,000              | 377,000             | 465,360              | 467,000             | 469,600                |
| Capital and Other  | 8,614,040            | 2,525,000           | 3,429,000            | 850,000             | 953,100                |
| <b>Unidentified Grantees:</b>  |                      |                     |                      |                     |                        |
| Outside Organization Grants  | *                    | *                   | *                    | 20,000              | 191,600                |
| <b>General Fund Total</b>  | <b>\$ 11,155,840</b> | <b>\$ 5,855,910</b> | <b>\$ 8,732,160</b>  | <b>\$ 5,931,765</b> | <b>\$ 8,118,065</b>    |
| <b>Identified Grantees:</b>  |                      |                     |                      |                     |                        |
| Outside Organization Grants Non-General Funds  | \$ 1,626,900         | \$ 1,024,302        | \$ 681,700           | \$ 393,000          | \$ 2,189,420           |
| Environmental Grants Non-General Funds   | 1,200,000            | 2,000,000           | 1,790,000            | 1,740,000           | 1,260,000              |
| <b>Unidentified Grantees:</b>  |                      |                     |                      |                     |                        |
| Environmental Grants Non-General Funds   | *                    | *                   | *                    | 500,000             | -                      |
| <b>Non-General Fund Total</b>  | <b>\$ 2,826,900</b>  | <b>\$ 3,024,302</b> | <b>\$ 2,471,700</b>  | <b>\$ 2,633,000</b> | <b>\$ 3,449,420</b>    |
| <b>Total</b>   | <b>\$ 13,982,740</b> | <b>\$ 8,880,212</b> | <b>\$ 11,203,860</b> | <b>\$ 8,564,765</b> | <b>\$ 11,567,485</b>   |
| * Unidentified Grantees were not presented in years prior to FY24, therefore we do not have that information to compare. |                      |                     |                      |                     |                        |



## Follow-Up to OCA Operating and Capital Budget Analyses

The following areas were either items that required follow up or additional information was received after the budget hearing and the updated information is provided below:

### Pay Package

The salary increases for County groups vary and below is a summary of the salary increases or average increase provided to County employee groups, the Department of Public Libraries (Library), Anne Arundel Community College (Community College), and Board of Education (BOE) teachers. Based on our review, the salary increases included in the FY25 proposed budget follow all union agreements and include a 3% cost of living adjustment (COLA) and 3% merit for non-represented classified employees and exempt employees. For component unit increases, the Library's salary increase includes a 3% COLA and a market rate adjustment to be provided based on the determination of the Library (see details below). A portion of the Library's market rate adjustment was provided in FY24. The Community College increase includes a 6% average increase based on a salary pool methodology. The BOE teachers increase includes a 3% COLA and an average 2% step increase.

| <b>Average % Increase to Salary by Group</b> |                                  |             |             |             |             |             |
|--|----------------------------------|-------------|-------------|-------------|-------------|-------------|
|  | <b>Employee Group</b>            | <b>FY21</b> | <b>FY22</b> | <b>FY23</b> | <b>FY24</b> | <b>FY25</b> |
| County                                       | Non-represented                  | 0.0%        | 4.5%        | 7.5%        | 8.0%        | 6.0%        |
| County                                       | AFSCME 2563                      | 5.0%        | 4.5%        | 8.0%        | 8.0%        | 6.0%        |
| County                                       | AFSCME 582                       | 5.0%        | 4.5%        | 8.0%        | 8.0%        | 6.0%        |
| County                                       | Correctional Program Specialists | 8.0%        | 4.5%        | 7.0%        | 8.0%        | 6.0%        |
| County                                       | Detention Officers & Corporals   | 6.0%        | 4.5%        | 7.5%        | 8.0%        | 7.0%        |
| County                                       | Detention Sergeants              | 7.0%        | 4.5%        | 7.0%        | 8.0%        | 6.0%        |
| County                                       | Fire                             | 9.0%        | 8.0%        | 8.5%        | 9.0%        | 7.0%        |
| County                                       | Fire Battalion Chief             | 5.0%        | 5.0%        | 8.0%        | 8.5%        | 7.0%        |
| County                                       | Park Rangers                     | 5.0%        | 4.5%        | 7.5%        | 8.0%        | 6.0%        |
| County                                       | Police (FOP)                     | 13.0%       | 5.0%        | 8.0%        | 9.5%        | 8.5%        |
| County                                       | Police Sergeants                 | 13.0%       | 5.0%        | 8.0%        | 9.5%        | 8.5%        |
| County                                       | Police Lieutenants               | 8.0%        | 5.0%        | 8.0%        | 9.5%        | 8.5%        |
| County                                       | Police Captains                  | 0.0%        | 5.0%        | 8.0%        | 9.5%        | 8.5%        |
| County                                       | Sheriff Deputies                 | 6.0%        | 4.5%        | 7.5%        | 8.0%        | 7.4%        |
| County                                       | Sheriff Sergeants                | 6.0%        | 6.0%        | 7.5%        | 8.0%        | 6.0%        |
| Library                                      | Library                          | 0.0%        | 4.5%        | 7.5%        | 8.0%        | 3.0%        |
| AACC   | AACC (Community College)         | 0.0%        | 5.0%        | 5.0%        | 10.0%       | 6.0%        |
| BOE  | Unit 1 - TAAAC (Teachers)        | 3.0%        | 3.0%        | 6.0%        | 8.0%        | 5.0%        |

## Library Market Rate Adjustment Initiative

In 2023, the Library received the results of a study that proposed a market rate adjustment for various Library employees for a total cost of approximately \$2,700,000. In the FY24 proposed budget, \$485,000 was included for related market rate adjustments for these employees. During the FY24 supplemental budget request process, the County Council approved an additional request of \$530,000 for market rate adjustments (a total market rate adjustment in FY24 of \$1,015,000).

The Library has requested additional funding to continue implementation of the market rate adjustment in FY25. In the FY25 proposed budget, funding totaling approximately \$980,000 was included. This provides the remaining market rate adjustments for any employee that has a salary that is less than \$100,000.

## New Positions

The FY25 proposed budget includes 12 new general fund positions in 5 County departments. Below is a summary of these new general fund positions and the estimated costs of these positions, including recurring costs (such as, salary and benefits) and one-time costs (such as, computers, desks, uniforms, and vehicles). There is also one new position in the Garage Working Capital Fund (not shown in the summary of new general fund positions below).

| Summary of New General Fund Positions |                                     |             |       |                    |                                  |                  |                   |                     |
|---------------------------------------|-------------------------------------|-------------|-------|--------------------|----------------------------------|------------------|-------------------|---------------------|
| DEPT                                  | Job Title                           | Salary Plan | Grade | Position Control # | Salary, FICA, Insurance, Pension | Ancillary Costs  | Vehicle Costs     | Grand Total         |
| AGE                                   | Program Specialist I                | NR          | 15    | 90002              | \$ 81,821                        | \$ -             | \$ -              | \$ 81,821           |
| POL                                   | Info System Support Specialist      | NR          | 14    | 90003              | \$ 78,237                        | \$ 5,000         | \$ -              | \$ 83,237           |
| POL                                   | Public Safety Analyst I             | LM          | 11    | 90004              | \$ 74,903                        | \$ 5,000         | \$ -              | \$ 79,903           |
| POL                                   | Public Safety Analyst I             | LM          | 11    | 90005              | \$ 74,903                        | \$ 5,000         | \$ -              | \$ 79,903           |
| POL                                   | Public Safety Analyst I             | LM          | 11    | 90006              | \$ 74,903                        | \$ 5,000         | \$ -              | \$ 79,903           |
| POL                                   | Senior Forensic Examiner            | NR          | 18    | 90008              | \$ 100,313                       | \$ 5,000         | \$ -              | \$ 105,313          |
| POL                                   | Police Sergeant                     | P           | 02    | 90007              | \$ 130,658                       | \$ 21,800        | \$ 62,600         | \$ 215,058          |
| CAO                                   | Exec Budget and Mgmt Analyst ①      | EX          | 17    | 90012              | \$ 85,090                        | \$ -             | \$ -              | \$ 85,090           |
| RCP                                   | Management Assistant I ②            | NR          | 15    | 90010              | \$ 81,821                        | \$ 400           | \$ -              | \$ 82,221           |
| RCP                                   | Park Ranger ②                       | R           | 1     | 90009              | \$ 77,449                        | \$ 400           | \$ 55,520         | \$ 133,369          |
| RCP                                   | Assistant Facilities Superintendent | NR          | 16    | 90001              | \$ 87,529                        | \$ -             | \$ -              | \$ 87,529           |
| LEG                                   | Legislative Chief of Staff          | E           | 6     | 90013              | \$ 159,593                       | \$ -             | \$ -              | \$ 159,593          |
|                                       |                                     |             |       |                    | <b>\$ 1,107,221</b>              | <b>\$ 47,600</b> | <b>\$ 118,120</b> | <b>\$ 1,272,941</b> |

① Although the salary and benefit costs for this position per the FY25 projected payroll is \$85,090 (as noted above), the Administration advised that there is currently a filled contractual position that will be converted to this full-time position and the anticipated salary and benefit costs will be \$102,700.

② While these positions are anticipated to be filled in January 2025, the related costs above are full year costs and a portion of these full year costs were offset with an increased turnover reduction to the applicable department.

In addition, the FY25 proposed budget includes 2.34 positions (3 total positions but offset by a decrease of 0.66 for a position that will be partially grant funded in FY25), transferred from other funds to general fund positions, two grant fund positions and one child care fund position. Below is a summary of these newly transferred positions, including recurring costs (such as, salary and benefits).

| Summary of Positions New to General Fund from Other Fund Sources ③ |                           |             |       |                    |                                  |                 |               |                   |
|--|---------------------------|-------------|-------|--------------------|----------------------------------|-----------------|---------------|-------------------|
| DEPT   | Job Title                 | Salary Plan | Grade | Position Control # | Salary, FICA, Insurance, Pension | Ancillary Costs | Vehicle Costs | Grand Total       |
| RCP  | Management Aide           | NR          | 12    | 69810              | \$ 84,397                        | \$ -            | \$ -          | \$ 84,397         |
| SHR  | Office Support Specialist | OS          | 6     | 24170              | \$ 119,095                       | \$ -            | \$ -          | \$ 119,095        |
| SHR  | Crime Analyst             | OS          | 11    | 29965              | \$ 89,266                        | \$ -            | \$ -          | \$ 89,266         |
|  |                           |             |       |                    | <b>\$ 292,758</b>                | <b>\$ -</b>     | <b>\$ -</b>   | <b>\$ 292,758</b> |

### Resilience Authority Funding

The FY25 Proposed Capital Budget and Program includes several projects the County is implementing in coordination with the Resilience Authority, which is a body corporate and politic of the County and the City of Annapolis. The capital projects include:

- Glen Burnie Plz Redevelopment (Project #C591300, p. 49) for \$1,550,000 in General Fund PAYGO and Other Fed Grants funding. The County is partnering with the Resilience Authority to manage this project. The Administration did not explain whether the total project funding was included in the FY25 Proposed Capital Budget and Program.
- EV Charging St & Oth Grn Tech (Project #C582800, p. 42) for \$660,000 in FY25 General County Bond funding. The Administration did not explain whether the total project funding was included in the FY25 Proposed Capital Budget and Program.
- Beverly Triton Nature Park (Project #P570300, p. 121) for \$4,000,000 in FY25 General Fund PAYGO to provide a contribution for use in the management of the project. This project was transferred to the Resilience Authority due to affordability concerns and the remaining required project funding is not reflected in the FY25 Proposed Capital Budget and Program.

In accordance with the County Code, the Resilience Authority has all powers necessary or convenient to undertake, finance, manage, acquire, own, convey, or support resilience infrastructure projects. The Administration advised that they are working in accordance with a MOU and project task orders to determine how the funding will be handled between the County and the Resilience Authority.

## Other Items to Note

- **Contractual School Health Employees Employee Retirement Savings Plan** – The FY25 Proposed Current Expense Budget reflects an increase of \$799,800 in the Department of Health (DOH) School Health & Support Bureau for 401A Defined Contributions. This proposed DOH funding is contingent upon approval of Bill 49-24, which authorizes certain contract or temporary Anne Arundel County Public Schools health employees to participate in the County’s Employee Retirement Savings Plan.
- **Mental Health Agency Arundel Lodge Support** – The FY25 Proposed Current Expense Budget includes \$200,000 for the Anne Arundel County Mental Health Agency, a bureau under DOH, to support salary and fringe benefits for staff at the Arundel Lodge, which treats mental health and substance abuse disorders. This is a one-time expense due to operational issues experienced by Arundel Lodge.
- **County Contract Monitoring Concerns** – Certain department and agency responses indicated that contracts need to be requested of the Office of Central Services Purchasing Division; however, departments and agencies need to maintain their own contracts to ensure proper monitoring and billing.

# **Appendix A**

## FY25 Operating Budget Recommendations

| Operating Budget Recommendations                          |        |                            |                      |                                  |             |   |                     |
|---|--------|----------------------------|----------------------|----------------------------------|-------------|---|---------------------|
| Department  | Bureau | Operating Budget Book Page | Category             | Object                           | Amount      | Explanation   | Total by Department |
| Chief Administrative Officer                              | 110    | 107                        | Contractual Services | 7439-Other Professional Services | \$50,000    | The Chief Administrative Office (CAO) provides funding for a variety of services throughout the year, including event marketing and promotions. The FY25 proposed budget for Other Professional Services is \$235,000. The CAO's fiscal year expenditures were \$14,257 in FY23. Through April 30, 2024, \$43,415 in FY24 funding has been committed. We recommend reducing the FY25 proposed budget by \$50,000 to \$185,000 to consider the expenditure history of the account. This provides funding for all planned purposes and provides an additional \$50,000 for unidentified purposes.   |                     |
| <b>Total Chief Administrative Office Recommendations:</b> |        |                            |                      |                                  |             |   | <b>\$50,000</b>     |
| Office of Transportation                                  | 450    | 173                        | Contractual Services | 7809 - Other Services            | \$215,000   | The Office of Transportation's transit service contract cost calculations assume a 3% contract rate increase for calendar year 2025 and use the highest monthly payment to estimate costs. We recommend a \$215,000 reduction to reflect a transit service rate increase consistent with 2024 and use of the average monthly payment to estimate total costs.   |                     |
| <b>Total Office of Transportation Recommendations:</b>    |        |                            |                      |                                  |             |   | <b>\$215,000</b>    |
| Board Of Education  |        | 180                        | Fixed Charges        |                                  | \$130,000   | The Board of Education's (BOE) updated annual liabilities has resulted in \$130,000 reduction in estimated costs. Therefore, we recommend reducing the FY25 unrestricted budget by \$130,000 to correct the contribution to the Self-Insurance Fund.  |                     |
| Board Of Education  |        | 180                        | Multiple             |                                  | \$3,040,800 | The New Village Academy Public Charter School announced in mid-May 2024 that it will defer opening until Fall 2025. BOE's FY25 operating costs will decrease as a result of this delay. We recommend reducing the FY25 budget by \$3,040,800 to reflect this reduced operating cost.  |                     |
| <b>Total Board of Education Recommendations:</b>          |        |                            |                      |                                  |             |   | <b>\$3,170,800</b>  |
| Office of Central Services                                | 180    | 119                        | Contractual Services | 7224-Water and Sewer             | \$30,000    | The Office of Central Services (OCS) funds water and sewer costs for most County buildings. The OCS' FY25 requested budget of \$650,000 did not include new locations and remained the same from the FY24 approved budget.<br><br>Water and sewer actual costs have been decreasing since FY22. Specifically, actual costs went from \$618,600 in FY22 to \$572,100 in FY23. OCS is estimating expenditures to be \$590,600 for FY24 (a three-year average). Although we estimated \$563,000 for FY24 showing the costs continuing to decline, we used OCS' FY24 estimate in assessing the FY25 proposed budget to take a conservative approach.<br><br>We recommend reducing the FY25 proposed budget to \$620,000 (a \$30,000 reduction). Our calculated estimate reflected OCS' FY24 estimate plus inflation and weather volatility. |                     |
| Office of Central Services                                | 180    | 119                        | Contractual Services | 7223-Fuel Oil                    | \$20,000    | OCS funds fuel oil costs for most County buildings. The OCS' FY25 requested budget of \$134,600 did not include new locations and decreased by approximately \$53,500.<br><br>As shown in the budget decrease from FY24, fuel oil actual costs have been decreasing since FY22. Specifically, actual costs went from \$134,600 in FY22 to \$108,200 in FY23. OCS is estimating expenditures to be \$99,700 for FY24 (a three-year average). Although we estimated \$82,000 for FY24 showing the costs continuing to decline, we used OCS' FY24 estimate in assessing the FY25 proposed budget to take a conservative approach.<br><br>We recommend reducing the FY25 proposed budget by \$20,000 to \$114,600 to account for estimated expenditures for FY24 plus inflation and weather volatility.                                     |                     |
| <b>Total Office of Central Services</b>                   |        |                            |                      |                                  |             |   | <b>\$50,000</b>     |

| Operating Budget Recommendations                     |               |                            |                               |                                 |             |  |                     |
|--|---------------|----------------------------|-------------------------------|---------------------------------|-------------|--|---------------------|
| Department   | Bureau        | Operating Budget Book Page | Category                      | Object                          | Amount      | Explanation  | Total by Department |
| Department of Health                                 | 535           | 253                        | 7200 - Contractual Services   | 7207 - Data Processing Hardware | \$167,900   | The replacement costs of computers and related equipment based on the County's five-year replacement policy totaling \$167,900 was included in the Department of Health's (DOH) budget when the County's replacement policy states that the Office of Information Technology (OIT) is responsible for technology within the five-year refresh cycle. We recommend deleting the FY25 budget request of \$167,900.   |                     |
| Department of Health                                 | 535           | 253                        | 7200 - Contractual Services   | 7211 - Office Equipment         | \$18,000    | The replacement costs of computers and related equipment based on the County's five-year replacement policy totaling \$18,000 was included in the DOH's budget when the County's replacement policy states that OIT is responsible for technology within the five-year refresh cycle. We recommend reducing the FY25 budget request by \$18,000 to \$36,000.   |                     |
| <b>Total Department of Health Recommendations:</b>   |               |                            |                               |                                 |             |  | <b>\$185,900</b>    |
| PAYGO Reconciling Amendment                          | 150           | 138                        | Grants, Contributions & Other | 8761 - Pay-as you-Go            |             | Amount to be determined based on amendments to the Annual Budget and Appropriation Ordinance (ABAO).   |                     |
| Impact Fee Reconciling Amendment                     |               | 150                        | Grants, Contributions & Other | 8761 - Pay-as you-Go            |             | Amount to be determined based on amendments to the ABAO.   |                     |
| <b>TOTAL GENERAL OPERATING FUND RECOMMENDATIONS:</b> |               |                            |                               |                                 |             |  | <b>\$3,671,700</b>  |
| Water and Wastewater Operating Fund                  | 310, 665, 670 | 214-215                    | Personal Services             | 7019 - Turnover                 | \$1,100,000 | This object is calculated to determine the savings projected to occur in the personal services category due to vacancies. The Water and Wastewater Operating Fund (Fund) turnover budget request is 4.05%. The FY24 Fund approved budgeted turnover was 4.25%. However, actual turnover for FY24 is now estimated at 8.29%. As of April 10, 2024, 43 of 383 positions were vacant (11.2%). As of May 10, 2023, there were also 43 vacant positions. Considering there are the same number of vacancies as last fiscal year and that the estimated turnover rate for FY24 remains significantly higher than the budgeted rate, we recommend that the proposed turnover budget increase by (\$1,100,000), or to 6.00% based on historical turnover rates. Actual turnover rates over the past three years were still higher than what we are recommending (ranging from 6.66% to 8.29%). |                     |
| <b>Total Water and Wastewater Operating Fund</b>     |               |                            |                               |                                 |             |  | <b>\$1,100,000</b>  |
| <b>TOTAL OPERATING BUDGET RECOMMENDATIONS:</b>       |               |                            |                               |                                 |             |  | <b>\$4,771,700</b>  |

## **Appendix B**

### FY25 Capital Budget Recommendations



| Capital Budget Recommendations                  |           |                                |                          |  |   |                  |                  |                            |                      |
|---|-----------|--------------------------------|--------------------------|--|---|------------------|------------------|----------------------------|----------------------|
| Class   | Project # | Project Name                   | Capital Budget Book Page | Description of Recommendation  | Explanation   | Total FY25 PAYGO | Total FY25 Bonds | Total Prior Approved Bonds | Total Recommendation |
| Community College                               | J569700   | Health and Life Sciences Bldg  | 347                      | Reduce prior approved general county bonds by \$197,000.   | The Community College advised that this project is complete and has determined that the remaining County project funding can be released. Therefore, we recommend reducing prior approved general county bonds by \$197,000.  |                  |                  | \$197,000                  | \$197,000            |
| Community College                               | J587500   | GBTC Tutoring Ctr Renovation   | 349                      | Reduce prior approved general county bonds by \$84,000.  | The Community College advised that the project is in closeout and has determined that project funding of \$84,000 can be released. Therefore, we recommend reducing prior approved general county bonds by \$84,000.  |                  |                  | \$84,000                   | \$84,000             |
| <b>Total Community College Recommendations:</b> |           |                                |                          |  |   |                  |                  |                            | <b>\$281,000</b>     |
| Dredging  | Q582300   | Severn River HW Dredging 2     | 268                      | Reduce MD waterway improvement funds by \$89,000.  | This project is complete and the Administration advised the remaining funding can be released. Therefore, we recommend reducing prior approved MD waterway improvement funds by \$89,000.   |                  |                  |                            | \$89,000             |
| Dredging  | Q584900   | Yantz & Saltworks Creek Drdg   | 270                      | Reduce prior approved general county bonds by \$69,000 and prior approved MD waterway improvement funds by \$15,000.   | Our review disclosed that estimated project costs were reduced. The Administration advised that the excess funds can be released. We recommend reducing the prior approved appropriation by \$84,000; reduce prior approved general county bonds by \$69,000 and prior approved MD waterway improvement funds by \$15,000.  |                  |                  | \$69,000                   | \$84,000             |
| Dredging  | Q585000   | Grays Crk & Hunters Hbr Drdg   | 271                      | Reduce prior approved general county bonds by \$177,000 and prior approved MD waterway improvement funds by \$189,000. | Our review disclosed that estimated project costs were reduced. The Administration advised that the excess funds can be released. We recommend reducing the prior approved appropriation by \$366,000, reduce prior approved general county bonds by \$177,000, and prior approved MD waterway improvement funds by \$189,000.  |                  |                  | \$177,000                  | \$366,000            |
| <b>Total Dredging Recommendations:</b>          |           |                                |                          |  |   |                  |                  |                            | <b>\$539,000</b>     |
| General County                                  | C106700   | Advance Land Acquisition       | 19                       | Delete FY25 general fund PAYGO of \$3,350,000.   | As of March 31, 2024, the available project balance was approximately \$5,644,910. The Administration advises that \$3,500,000 in FY24 and FY25 funding is being used to purchase property for the Board of Education School Bus Facility/Lot (Project #E591800) capital project. This would leave \$5,495,000 for unanticipated needs. Based on the lack of support and the available balance, we recommend deleting FY25 general fund PAYGO of \$3,350,000. | \$3,350,000      |                  |                            | \$3,350,000          |
| General County                                  | C443400   | Agricultural Preservation Prgm | 22                       | Delete \$70,000 in FY26 miscellaneous funds.   | FY26 miscellaneous funding from the Tri-County Council of Southern Maryland is included for operating budget expenditures. We recommend deleting FY26 miscellaneous funding of \$70,000 and including this funding in the FY26 Current Expense Budget once awarded.   |                  |                  |                            | \$70,000             |

| Capital Budget Recommendations               |           |                                |                          |   |   |                  |                  |                            |                      |
|--|-----------|--------------------------------|--------------------------|---|---|------------------|------------------|----------------------------|----------------------|
| Class  | Project # | Project Name                   | Capital Budget Book Page | Description of Recommendation   | Explanation   | Total FY25 PAYGO | Total FY25 Bonds | Total Prior Approved Bonds | Total Recommendation |
| General County                               | C501100   | Failed Sewage&Private Well Fnd | 25                       | Delete FY25 general fund PAYGO of \$80,000.   | As of May 21, 2024, this project had an available project balance of \$185,000. The average annual expenses in this project are \$38,000. There is sufficient available balance for the Administration to perform planned tasks of \$53,000 and the remaining project funds would be available for any unplanned costs. Therefore, we recommend deleting FY25 general fund PAYGO of \$80,000. | \$80,000         |                  |                            | \$80,000             |
| General County                               | C562400   | Add'l Salt Storage Capacity    | 33                       | Reduce FY26 general county bonds by \$200,000.  | Our review disclosed calculation errors in the project cost estimates. As a result, the project budget can be reduced by \$200,000. Therefore, we recommend reducing FY26 general county bonds by \$200,000.  |                  |                  |                            | \$200,000            |
| General County                               | C571700   | Parking Garages Repair/Renov   | 36                       | Reduce FY25 PAYGO by \$14,000 and reduce FY26 general county bonds by \$495,000.  | Our review disclosed calculation errors in the project cost estimates. As a result, the Administration reduced the project budget by \$509,000. Therefore, we recommend reducing FY25 PAYGO by \$14,000 and reducing FY26 general county bonds by \$495,000.  | \$14,000         |                  |                            | \$509,000            |
| General County                               | C571800   | Millersville Garage Renovation | 37                       | Reduce FY26 general county bonds by \$337,000.  | Our review disclosed calculation errors in the project cost estimates. As a result, the Administration reduced the project budget by \$337,000. Therefore, we recommend reducing FY26 general county bonds by \$337,000.  |                  |                  |                            | \$337,000            |
| General County                               | C580000   | West County Road Ops Yard      | 40                       | Reduce prior approved general county bonds by an additional \$1,112,000.  | Our review disclosed calculation errors in the project cost estimates. As a result, the Administration reduced the project budget by \$1,112,000. The proposed FY25 budget included a reduction of \$673,000 in the prior approved general county bonds. Therefore, we recommend reducing prior approved general county bonds by an additional \$1,112,000.                                   |                  |                  | \$1,112,000                | \$1,112,000          |
| General County                               | C585700   | Circuit Courthouse Major Reno  | 43                       | Reduce FY26 general county bonds by \$513,000, reduce FY27 general county bonds by \$408,000, and reduce FY28 general county bonds by \$72,000. | Our review disclosed calculation errors in the project cost estimates. As a result, the Administration reduced the project budget by \$993,000. Therefore, we recommend reducing FY26 general county bonds by \$513,000, FY27 general county bonds by \$408,000, and FY28 general county bonds by \$72,000.   |                  |                  |                            | \$993,000            |
| <b>Total General County Recommendations:</b> |           |                                |                          |   |   |                  |                  |                            | <b>\$6,651,000</b>   |
| Public Safety                                | F586400   | Joint 911 Public Safety Ctr    | 82                       | Delete FY25 general county bonds of \$488,000 and replace with public safety impact fees of \$488,000.  | This project is eligible for public safety impact fees that are available and are not being fully utilized. We recommend deleting FY25 general county bonds of \$488,000 and adding public safety impact fees of \$488,000.   |                  | \$488,000        |                            | \$0                  |
| Public Safety                                | F563000   | Police Training Academy        | 87                       | Reduce prior approved general county bonds by \$170,000.  | Our review disclosed calculation errors in the project cost estimates for phase 2. As a result, the Administration reduced the project budget for phase 2 by \$170,000. Therefore, we recommend reducing prior approved general county bonds by \$170,000.  |                  |                  | \$170,000                  | \$170,000            |
| Public Safety                                | F572800   | New Police C.I.D. Facility     | 90                       | Reduce prior approved public safety impact fees by \$90,000.  | This project is complete, and the Administration has determined that project funds can be reduced by \$90,000. Therefore, we recommend reducing prior approved public safety impact fees by \$90,000.   |                  |                  |                            | \$90,000             |

| Capital Budget Recommendations                     |           |                                |                          |   |  |                  |                  |                            |                      |
|--|-----------|--------------------------------|--------------------------|---|--|------------------|------------------|----------------------------|----------------------|
| Class  | Project # | Project Name                   | Capital Budget Book Page | Description of Recommendation   | Explanation  | Total FY25 PAYGO | Total FY25 Bonds | Total Prior Approved Bonds | Total Recommendation |
| Public Safety                                      | F575100   | Evidence & Forensic Sci Unit   | 93                       | Reduce prior approved general county bonds by \$2,095,000.                              | Our review disclosed that a contract was awarded for construction (\$24,369,234); however, a higher cost estimate was used to determine the overall project cost (\$26,349,000). In addition, the project includes contingency funds of \$2,750,200. The Administration would like to retain the excess in the project for potential future changes. In light of the existing contingency provision and the existence of a contract award, we recommend reducing the project budget to the estimated cost using the contract award amount. |                  |                  | \$2,095,000                | \$2,095,000          |
| Public Safety                                      | F580400   | Zetron Tone Generator          | 96                       | Reduce prior approved general fund PAYGO by \$90,000.                                   | This project is complete, and the Administration has determined that project funds can be reduced by \$90,000. Therefore, we recommend reducing prior approved general fund PAYGO by \$90,000.   |                  |                  |                            | \$90,000             |
| <b>Total Public Safety Recommendations:</b>        |           |                                |                          |   |  |                  |                  |                            | <b>\$2,445,000</b>   |
| Recreation & Parks                                 | P445800   | Facility Lighting              | 108                      | Delete FY25 general county bonds of \$90,000 and reduce ARP grant funding by \$249,000. | The Administration advised that reassessment of project costs results in less FY25 project funding being needed. Therefore, we recommend deleting \$90,000 in FY25 general county bonds and reducing FY25 ARP funding by \$249,000.  |                  | \$90,000         |                            | \$339,000            |
| Recreation & Parks                                 | P452500   | R & P Project Plan             | 109                      | Reduce FY25 general fund PAYGO by \$63,000.   | The Administration advised that reassessment of project costs results in less FY25 project funding being needed. Therefore, we recommend reducing FY25 general fund PAYGO by \$63,000.   | \$63,000         |                  |                            | \$63,000             |
| Recreation & Parks                                 | P570000   | N Arundel Swim Ctr Campus Imp  | 119                      | Reduce FY25 general county bonds by \$100,000.  | This project includes \$1,000,000 for project lighting, which exceeds the FY24 average lighting project cost of \$475,000. The Administration revised the lighting project estimate to \$600,000 but requests an additional \$300,000 for a playground to be added to the project. Therefore, general county bonds can be reduced by \$100,000.  |                  | \$100,000        |                            | \$100,000            |
| Recreation & Parks                                 | P570200   | Eisenhower Golf Course         | 120                      | Reduce FY25 general county bonds by \$400,000.  | Due to errors in the project budget, the Administration revised the project budget, resulting in a cost reduction of \$400,000. We recommend reducing FY25 general county bonds by \$400,000.  |                  | \$400,000        |                            | \$400,000            |
| Recreation & Parks                                 | P579000   | Brooklyn Park Community Center | 126                      | Reduce FY25 general county bonds by \$700,000.  | The construction bid came in lower than expected, resulting in a reduction of \$1,200,000 in the project budget. Unforeseen water services work is estimated to cost \$500,000. Therefore, we recommend reducing FY25 general county bonds by \$700,000.   |                  | \$700,000        |                            | \$700,000            |
| <b>Total Recreation and Parks Recommendations:</b> |           |                                |                          |   |  |                  |                  |                            | <b>\$1,602,000</b>   |
| Roads & Bridges                                    | H539600   | Trans Facility Planning        | 171                      | Reduce FY25 other state grants by \$80,000.   | Our review disclosed an error in the other state grants funding amount listed in the FY25 proposed budget. Therefore, we recommend reducing FY25 other state grants by \$80,000 to agree with the related award amount.  |                  |                  |                            | \$80,000             |

| Capital Budget Recommendations                  |           |                                |                          |   |   |                  |                  |                            |                      |
|---|-----------|--------------------------------|--------------------------|---|---|------------------|------------------|----------------------------|----------------------|
| Class   | Project # | Project Name                   | Capital Budget Book Page | Description of Recommendation   | Explanation   | Total FY25 PAYGO | Total FY25 Bonds | Total Prior Approved Bonds | Total Recommendation |
| Roads & Bridges                                 | H566700   | Hanover Road Corridor Imprv    | 178                      | Delete the FY25 hwy impact fees dist 1 of \$250,000 and reduce FY29 developer contributions by \$550,000.   | Our review disclosed that due to a correction of a calculation error and the correction of an error in state funding, the overall project budget was reduced by \$800,000. Therefore, we recommend deleting the FY25 hwy impact fees dist 1 of \$250,000 and reducing FY29 development fees by \$550,000. |                  |                  |                            | \$800,000            |
| Roads & Bridges                                 | H575600   | Jumpers Hole Rd Improvements   | 182                      | Reduce FY25 general county bonds by \$500,000 and replace with highway impact fees district 3 of \$500,000. | This project is eligible for highway impact fees district 3 that are available and are not being fully utilized. We recommend reducing FY25 general county bonds by \$500,000 and adding highway impact fees district 3 of \$500,000.   |                  | \$500,000        |                            | \$0                  |
| Roads & Bridges                                 | H575700   | MD 214 & Loch Haven Road       | 183                      | Reduce FY25 general county bonds by \$300,000 and replace with highway impact fees district 5 of \$300,000. | This project is eligible for highway impact fees district 5 that are available and are not being fully utilized. We recommend reducing FY25 general county bonds by \$300,000 and adding highway impact fees district 5 of \$300,000.   |                  | \$300,000        |                            | \$0                  |
| Roads & Bridges                                 | H583700   | Pleasant Plains Rd Safety Im   | 191                      | Delete FY25 general county bonds of \$275,000 and reduce prior approved general county bonds by \$553,000.  | The Administration revised the project's utility cost estimate resulting in a project cost reduction of \$828,000. Therefore, we recommend deleting the FY25 general county bonds of \$275,000 and reducing prior approved general county bonds by \$553,000.   |                  | \$275,000        | \$553,000                  | \$828,000            |
| Roads & Bridges                                 | H583800   | Duvall Hwy Access Imp          | 192                      | Reduce FY25 hwy impact fees dist 2 by \$157,000.  | Our review disclosed a calculation error in the project cost estimate that reduced the project costs by \$157,000. Therefore, we recommend reducing FY25 hwy impact fees dist 2 funds by \$157,000.   |                  |                  |                            | \$157,000            |
| Roads & Bridges                                 | H587300   | Bluewater/Milestone SUPs       | 199                      | Reduce FY25 general county bonds by \$146,000.  | Our review disclosed a calculation error in the project cost estimate that reduced the project costs by \$146,000. Therefore, we recommend reducing FY25 general county bonds by \$146,000.   |                  | \$146,000        |                            | \$146,000            |
| Roads & Bridges                                 | H589800   | Ridge Rd Improvements          | 202                      | Reduce FY25 general county bonds by \$315,000.  | Our review disclosed a calculation error in the project cost estimate that reduced the project costs by \$315,000. Therefore, we recommend reducing FY25 general county bonds by \$315,000.   |                  | \$315,000        |                            | \$315,000            |
| Roads & Bridges                                 | H371200   | Town Cntr To Reece Rd          | 213                      | Reduce FY25 hwy impact fees district 4 by \$316,000.  | Our review disclosed calculation errors in the project cost estimates. As a result, the Administration reduced the project budget by \$316,000. Therefore, we recommend reducing FY25 hwy impact fees dist 4 funds by \$316,000.  |                  |                  |                            | \$316,000            |
| Roads & Bridges                                 | H579700   | Odenton Area Sidewalks         | 226                      | Reduce prior approved general county bonds by \$64,000.   | Our review disclosed a calculation error in the project cost estimate that reduced the project costs by \$64,000. Therefore, we recommend reducing prior approved general county bonds by \$64,000.   |                  |                  | \$64,000                   | \$64,000             |
| Roads & Bridges                                 | H583500   | Oakwood/Old Mill Blvd Roundabo | 234                      | Reduce prior approved hwy impact fees dist 1 by \$290,000.  | A construction contract was awarded for less than the Administration's estimate resulting in an overall reduction in project costs of \$290,000. Therefore, we recommend reducing prior approved hwy impact fees dist 1 funds by \$290,000.   |                  |                  |                            | \$290,000            |
| <b>Total Roads and Bridges Recommendations:</b> |           |                                |                          |   |   |                  |                  |                            | <b>\$2,996,000</b>   |

| <b>Capital Budget Recommendations</b>        |                  |                             |                                 |   |  |                         |                         |                                   |                             |
|--|------------------|-----------------------------|---------------------------------|---|--|-------------------------|-------------------------|-----------------------------------|-----------------------------|
| <b>Class</b>                                 | <b>Project #</b> | <b>Project Name</b>         | <b>Capital Budget Book Page</b> | <b>Description of Recommendation</b>    | <b>Explanation</b>   | <b>Total FY25 PAYGO</b> | <b>Total FY25 Bonds</b> | <b>Total Prior Approved Bonds</b> | <b>Total Recommendation</b> |
| Water  | W778600          | Crofton Meadows II WTP Upgr | 438                             | Reduce FY25 water bonds by \$1,339,000. | The project cost estimate included an error in the calculation resulting in excess funds. The Administration revised the project budget, resulting in a cost reduction of \$1,339,000. Therefore, we recommend reducing FY25 water bonds by \$1,339,000. |                         | \$1,339,000             |                                   | \$1,339,000                 |
| <b>Total Water Recommendations:</b>          |                  |                             |                                 |   |  |                         |                         |                                   | <b>\$1,339,000</b>          |
| <b>TOTAL CAPITAL BUDGET RECOMMENDATIONS:</b> |                  |                             |                                 |   |  | <b>\$3,507,000</b>      | <b>\$4,653,000</b>      | <b>\$4,521,000</b>                | <b>\$15,853,000</b>         |

# **Appendix C**

## County Auditor's Presentation

May 13, 2024

# OFFICE OF THE COUNTY AUDITOR

FY25 Proposed Budget Analysis  
Michelle Bohlayer, County Auditor

# Overview

- ▶ Introduction
- ▶ New Review Process
- ▶ Spending Affordability
- ▶ Debt Affordability



# Spending Affordability

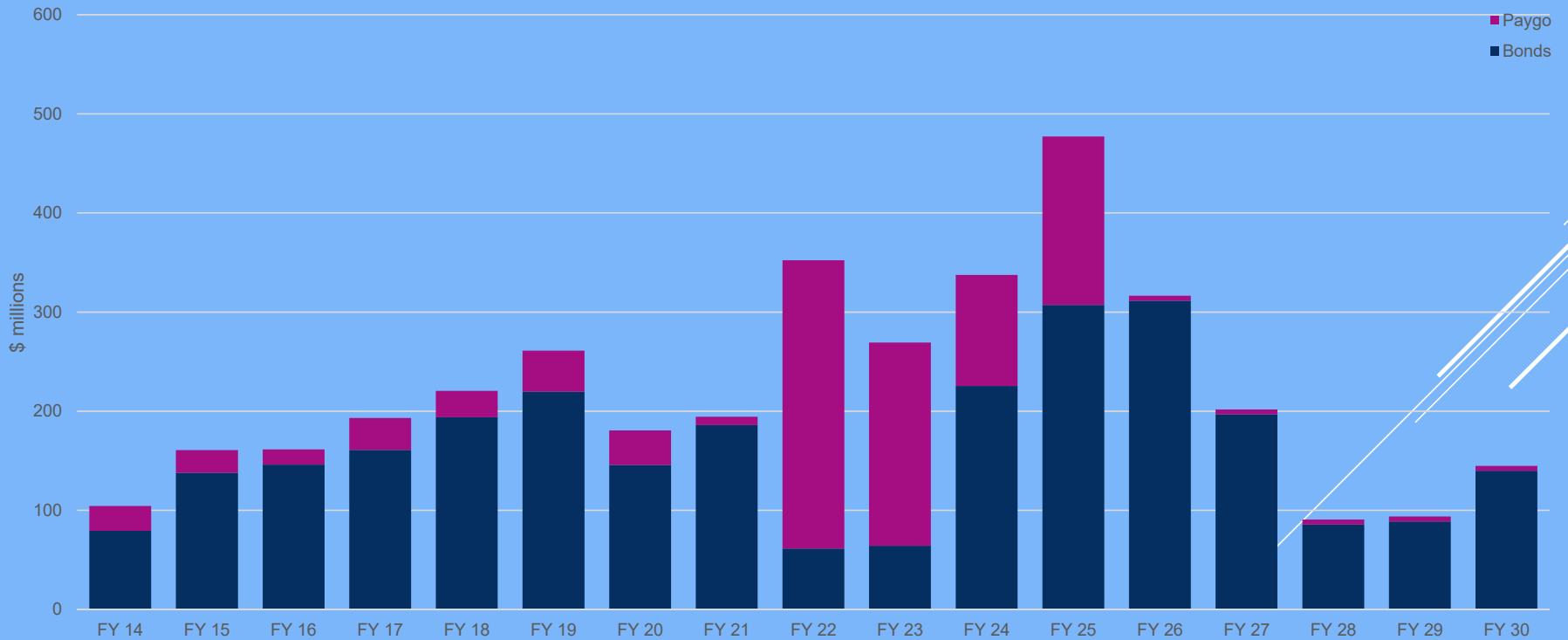
|   | <b>FY25<br/>(Proposed)</b> | <b>FY24</b>      | <b>FY23</b>      | <b>FY22</b>      | <b>FY21</b>      |
|---|----------------------------|------------------|------------------|------------------|------------------|
| General Fund Appropriation Limit:                         |                            |                  |                  |                  |                  |
| SAC Recommendation  | \$ 2,050,445,590           | \$ 1,967,029,004 | \$ 1,809,032,099 | \$ 1,714,087,050 | \$ 1,698,208,829 |
| Add: Available General Fund Balance                       | \$ 182,206,300             | \$ 146,822,900   | \$ 262,372,000   | \$ 114,225,200   | \$ 37,746,800    |
| Add: Budgeted Contribution to the Revenue Reserve Fund    | \$ 7,800,000               | \$ 24,600,000    | \$ 23,500,000    | \$ 11,000,000    | \$ 1,000,000     |
| Adjusted Recommended Spending                             | \$ 2,240,451,890           | \$ 2,138,451,904 | \$ 2,094,904,099 | \$ 1,839,312,250 | \$ 1,736,955,629 |
| General Fund Spending per Proposed Operating Budget       | \$ 2,312,436,300           | \$ 2,137,300,400 | \$ 2,157,450,500 | \$ 1,873,082,300 | \$ 1,719,224,300 |
| Proposed Spending in Excess (Below) of SAC Recommendation | \$ 71,984,410              | \$ (1,151,504)   | \$ 62,546,401    | \$ 33,770,050    | \$ (17,731,329)  |
| General Fund Debt Limit:                                  |                            |                  |                  |                  |                  |
| Recommended General Fund Debt Limit                       | \$ 2,057,498,898           | \$ 1,972,886,265 | \$ 1,818,409,674 | \$ 1,722,551,438 | \$ 1,675,435,728 |
| Estimated Outstanding General Fund Debt (End of FY)       | \$ 1,582,255,897           | \$ 1,611,329,933 | \$ 1,642,387,399 | \$ 1,548,439,585 | \$ 1,459,797,020 |
| Proposed Debt in Excess (Below) of SAC Recommendation     | \$ (475,243,001)           | \$ (361,556,332) | \$ (176,022,275) | \$ (174,111,853) | \$ (215,638,708) |

# Debt Affordability

- ▶ Proposed Capital Budget and Program meets County Debt Affordability guidelines
- ▶ FY25 Capital Budget is large by historic standards
- ▶ PAYGO used to reduce planned borrowing and expand capital spending
- ▶ Increasing debt earlier in the program will increase debt service costs earlier in the long term for the County
- ▶ There is capacity under the guidelines to increase future bonds over the proposed program
- ▶ Increasing debt would further increase debt service costs

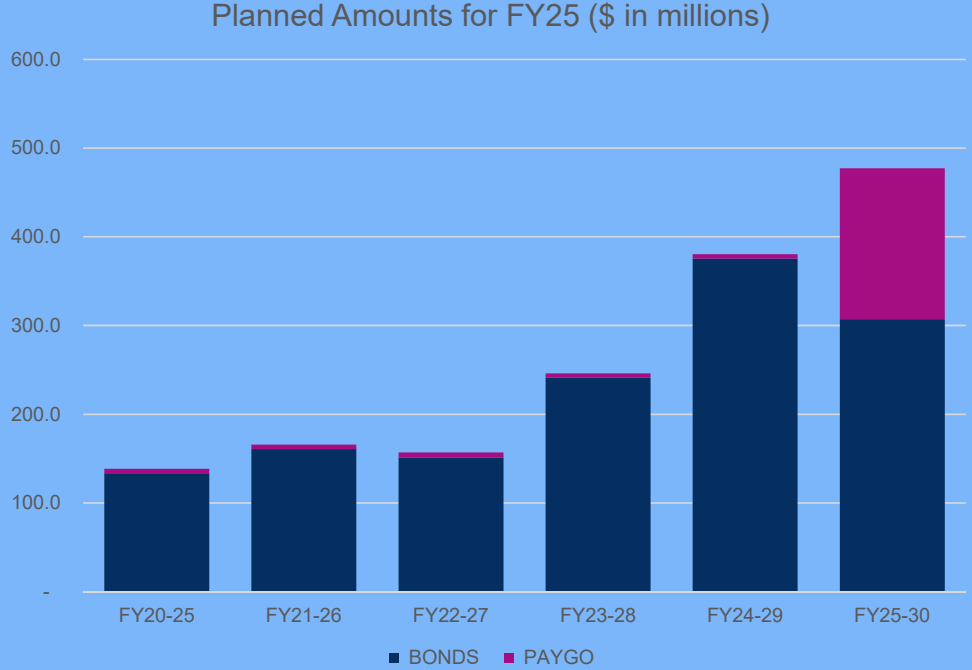
# Proposed FY25 Capital Budget is the largest in County history

The program calls for reduced bond and PAYGO levels in FY28-30.



# Planned amount for FY25 has tripled since the FY20-25 program

Proposed capital budget uses PAYGO to reduce planned bonding and increase overall capital spending, compared with the prior approved program.



# Proposed Capital Program is within Affordability Guidelines

Over time, 3 of the 4 measures are trending up towards the guidelines.

| Criteria                             | Guideline | FY 25   | FY 30 Proj.                                       |
|--------------------------------------|-----------|---------|---|
| Debt service % of revenue            | 11.5%     | 7.6%    | 8.7%  |
| Debt % of full value                 | 2.0%      | 1.43%   | 1.58%   |
| Debt % of personal income            | 4.0%      | 3.1%    | 3.1%  |
| Debt per capita<br>(adjusts for CPI) | \$3,839   | \$2,633 | \$3,245<br>(CPI adjusted<br>guideline<br>≈ 4,366) |

**Even if the County remains within affordability guidelines,**  
increased debt results in increased future debt service costs.

|  | <b>Est. Debt Service<br/>(\$ in millions)</b> | <b>Increase over FY24</b> |
|--|---|---------------------------|
| FY25 Capital Budget                                    | 161   | 7                         |
| FY30 (Proposed Capital Program)                        | 213   | 62                        |
| FY30 (Maximized Debt Capacity in Future Program Years) | 232   | 78                        |

Questions?

# **Appendix D**

## **FY25 Operating Budget Reports**

Anne Arundel Community College

Board of Education

Chief Administrative Officer

Department of Aging

Department of Detention Facilities

Department of Health

Department of Public Libraries

Department of Public Works

Department of Recreation and Parks

Fire Department

Office of Central Services

Office of Finance

Office of Information Technology

Office of Personnel

Office of the Sheriff

Office of Transportation

Police Department





Legislation Review

# Review of the Fiscal Year 2025 Proposed Current Expense Budget Anne Arundel Community College

Report Date: May 12, 2024

Hearing Date: May 13, 2024

|  |                              |
|--|------------------------------|
| <b>Questions Sent to the Agency:</b>       | <b>Thursday, May 2, 2024</b> |
| <b>Responses Received from the Agency:</b> | <b>Friday, May 3, 2024</b>   |

**This analysis considers all agency responses.**

## Anne Arundel Community College (AACC)

### AACC Maintenance of Effort (MOE) History

| Fiscal Year     | Budgeted Appropriation* | Appropriation Required* | Amount over MOE |
|-----------------|-------------------------|-------------------------|-----------------|
| 2017            | \$38,687,700            | \$36,687,700            | \$2,000,000     |
| 2018            | 40,287,700              | 38,687,700              | 1,600,000       |
| 2019            | 42,387,700              | 40,287,700              | 2,100,000       |
| 2020            | 45,387,700              | 42,387,700              | 3,000,000       |
| 2021            | 45,387,700              | 45,387,700              | -               |
| 2022            | 46,427,800              | 45,387,700              | 1,040,100       |
| 2023            | 47,427,800              | 46,427,800              | 1,000,000       |
| 2024            | 48,427,800              | 47,427,800              | 1,000,000       |
| 2025 (Proposed) | 50,827,800              | 48,427,800              | 2,400,000       |

\* Budgeted Appropriation and Appropriation Required exclude the appropriation from the Video Lottery Terminal Impact Aid Fund.

NOTE: The Education Article, Section 16-305(d) of the Annotated Code of Maryland requires the County share, in the aggregate, that supports the Community College to be equal or exceed the aggregate amount of operating fund appropriations made to the Board by the County in the previous fiscal year in order for a board to receive an increase in the state share of support or a hold harmless component amount.

### Key Observations

1. AACC is also receiving FY25 funding of \$1,950,000 in Video Lottery Terminal Impact Aid Funds consisting of \$1,700,000 to sustain operations for their campus located in the County Local Development Council (LDC) target area and \$250,000 for a new pilot program to provide scholarships for residents of the LDC target area zip codes.
2. The \$3,300,000 increase in FY25 tuition and fee revenue is projected from a \$1 per credit hour tuition rate increase for in-County students, a \$2 per credit hour tuition rate increase for out-of-County students, a \$3 per credit hour tuition rate increase for out-of-state students, and a \$1 per credit hour athletic fee increase.
3. AACC uses a salary pool methodology and the funding included, based on the support provided, a 6% average increase.



Legislation Review

# Review of the Fiscal Year 2025 Proposed Current Expense Budget Board of Education

Report Date: May 12, 2024  
Hearing Date: May 13, 2024

|  |  |
|--|--|
| <b>Questions Sent to the Agency:</b>       | <b>Wednesday, May 1, 2024 and<br/>Monday, May 6, 2024</b>  |
| <b>Responses Received from the Agency:</b> | <b>Wednesday, May 1, 2024 and<br/>Tuesday, May 7, 2024</b> |

**This analysis considers all agency responses.**

## Board of Education (BOE)

### BOE Maintenance of Effort (MOE) History

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| <b>Fiscal Year</b> | <b>Per Pupil Expenditure (PPE) Required</b> | <b>Budgeted Appropriation</b> | <b>Appropriation Required</b> | <b>Amount over MOE</b> | <b>Enrollment</b> | <b>PPE Calculation</b> |
|--------------------|---|-------------------------------|-------------------------------|------------------------|-------------------|------------------------|
| 2017               | 8,021                                       | \$638,003,110                 | \$626,013,617                 | \$11,989,493           | 78,052            | 8,174                  |
| 2018               | 8,174                                       | 657,774,500                   | 644,237,925                   | 13,536,575             | 78,814            | 8,346                  |
| 2019               | 8,346                                       | 687,809,300                   | 670,593,776                   | 17,215,524             | 80,350            | 8,560                  |
| 2020               | 8,560                                       | 733,315,800                   | 692,170,691                   | 41,145,109             | 80,860            | 9,069                  |
| 2021               | 9,069                                       | 749,579,900                   | 748,066,152                   | 1,513,748              | 82,486            | 9,087                  |
| 2022               | 9,315                                       | 784,741,000                   | 768,319,269                   | 16,421,731             | 82,486            | 9,514                  |
| 2023               | 9,514                                       | 834,741,000                   | 784,741,000                   | 50,000,000             | 81,405            | 10,254                 |
| 2024               | 10,128                                      | 881,481,000                   | 829,584,928                   | 51,896,072             | 81,911            | 10,761                 |
| 2025               | 10,761                                      | 929,281,000                   | 879,729,363                   | 49,551,637             | 81,749            | 11,368                 |

Note: In accordance with HB1372, enrollment for FY2022 MOE is the greater of the full-time equivalent enrollment in September 2019 or the 3-year moving average enrollment of September 2017 through September 2019. September 30, 2019 was the greater amount and used for the MOE calculation.

Note: In accordance with HB1450, FY2023 MOE is the greater of the local share of major education aid under the Education Article, Section 5-235(A)(1) of the Annotated Code of Maryland or \$784,741,000. The basis for FY2023 MOE was \$784,741,000.

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## Key Observations

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1. **Proposed FY25 Budget** – In accordance with MOE requirements, the Proposed FY25 Budget is required to provide a BOE operations budget of at least \$879,729,363. BOE's Proposed FY25 Budget provides \$49,551,637 more than required MOE.

The Proposed FY25 Budget reflects funding category changes from the FY24 Approved Budget, including a:

- \$19.6 million increase for Fixed Charges,
- \$17.5 million increase for Mid-Level Administration,
- \$11.8 million decrease for Instructional Salaries, and
- \$11.2 million increase for Special Education.

2. **Health Care Fund Support Required** – Several actions have been taken recently, or are anticipated, to support the Health Care Fund in FY24, including: a \$7,000,000 transfer to the Fund in accordance with Bill 5-24 and a potential \$15,000,000 fourth quarter transfer to the Fund from unanticipated additional revenue, transfers from other categories, and savings. The Proposed FY25 Budget provides a \$11,053,600 increase for the Health Care Fund, which reflects \$7,500,000 from the County and \$3,553,600 from the Internal Service Fund for Health Care.
3. **County Contributions to OPEB Trust Fund on Behalf of BOE** – In accordance with the FY24 Approved Budget as well as Bill 10-24, an Amended and Restated Retiree Health Benefits Trust Agreement was approved that adds BOE as a sponsor and allows BOE to pool assets in the OPEB Trust fund for investment purposes. The FY25 Proposed Budget includes a County contribution of \$25,000,000 to the OPEB Trust Fund. Additional information about the OPEB Trust Fund will be included in the OCA Operating Budget Analysis for the Office of Personnel.

## Appendix

### Board of Education - All Funding Sources

|                        | <b>FY 2024</b>         | <b>FY 2025<br/>Proposed</b> | <b>\$ Change</b>    | <b>% Change</b> |
|------------------------|------------------------|-----------------------------|---------------------|-----------------|
| Administration         | \$49,303,300           | \$51,011,769                | \$1,708,469         | 3%              |
| Mid-Level Admin.       | \$90,027,900           | \$107,575,033               | \$17,547,133        | 19%             |
| Instructional Salaries | \$593,365,500          | \$581,526,174               | -\$11,839,326       | -2%             |
| Instructional Supplies | \$48,288,100           | \$41,375,846                | -\$6,912,254        | -14%            |
| Other Instruction      | \$38,639,200           | \$38,123,886                | -\$515,314          | -1%             |
| Special Education      | \$191,389,300          | \$202,510,733               | \$11,121,433        | 6%              |
| Pupil Services         | \$18,440,600           | \$21,806,835                | \$3,366,235         | 18%             |
| Transportation         | \$86,423,100           | \$87,005,285                | \$582,185           | 1%              |
| Plant Operations       | \$99,726,400           | \$102,475,532               | \$2,749,132         | 3%              |
| Maintenance of Plant   | \$29,544,000           | \$28,282,924                | -\$1,261,076        | -4%             |
| Fixed Charges          | \$342,430,500          | \$361,993,893               | \$19,563,393        | 6%              |
| Community Services     | \$811,000              | \$678,588                   | -\$132,412          | -16%            |
| Capital Outlay         | \$4,569,300            | \$4,728,791                 | \$159,491           | 3%              |
| Health Services        | \$1,707,500            | \$2,915,993                 | \$1,208,493         | 71%             |
| Food Services          | \$56,226,200           | \$55,242,000                | -\$984,200          | -2%             |
|                        | <b>\$1,650,891,900</b> | <b>\$1,687,253,282</b>      | <b>\$36,361,382</b> | <b>2%</b>       |



Legislation Review

Review of the Fiscal Year 2025 Proposed  
Current Expense Budget  
Chief Administrative Officer, Including Non-  
Profit Partner Organizations and  
Partnership for Children, Youth and Families

Report Date: May 13, 2024

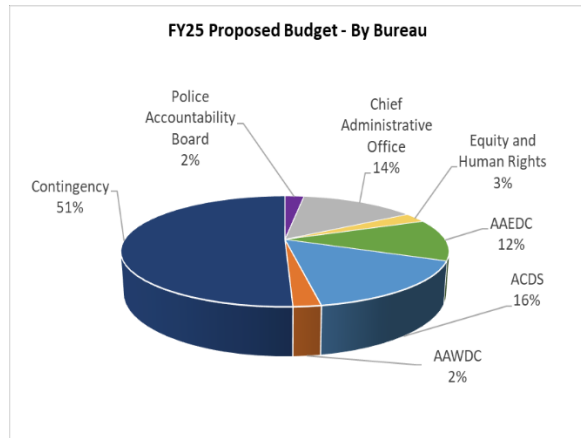
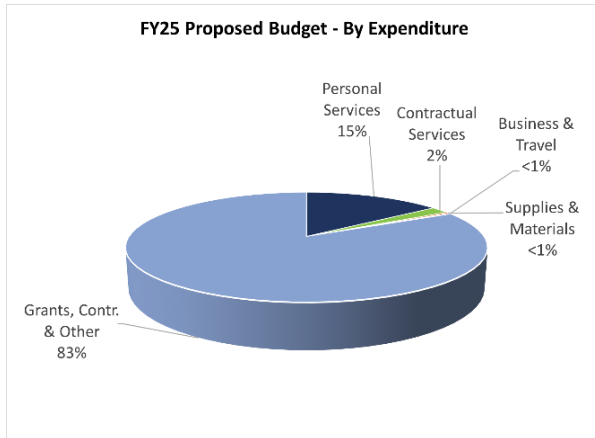
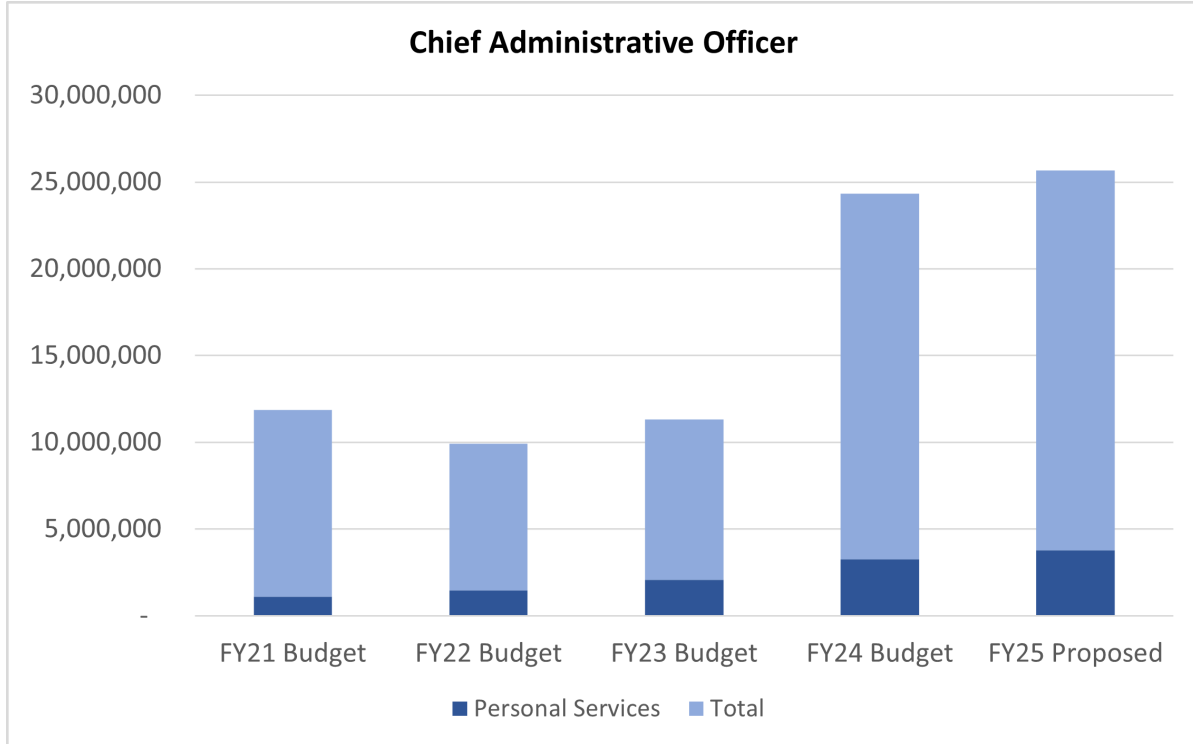
Hearing Date: May 14, 2024

|                                      |                              |
|--------------------------------------|------------------------------|
| <b>Questions Sent to the Agency:</b> | <b>Friday, May 3, 2024</b>   |
| <b>Responses Received from CAO:</b>  | <b>Thursday, May 8, 2024</b> |
| <b>Responses Received from PCYF:</b> | <b>Tuesday, May 7, 2024</b>  |

**This analysis considers all agency responses.**

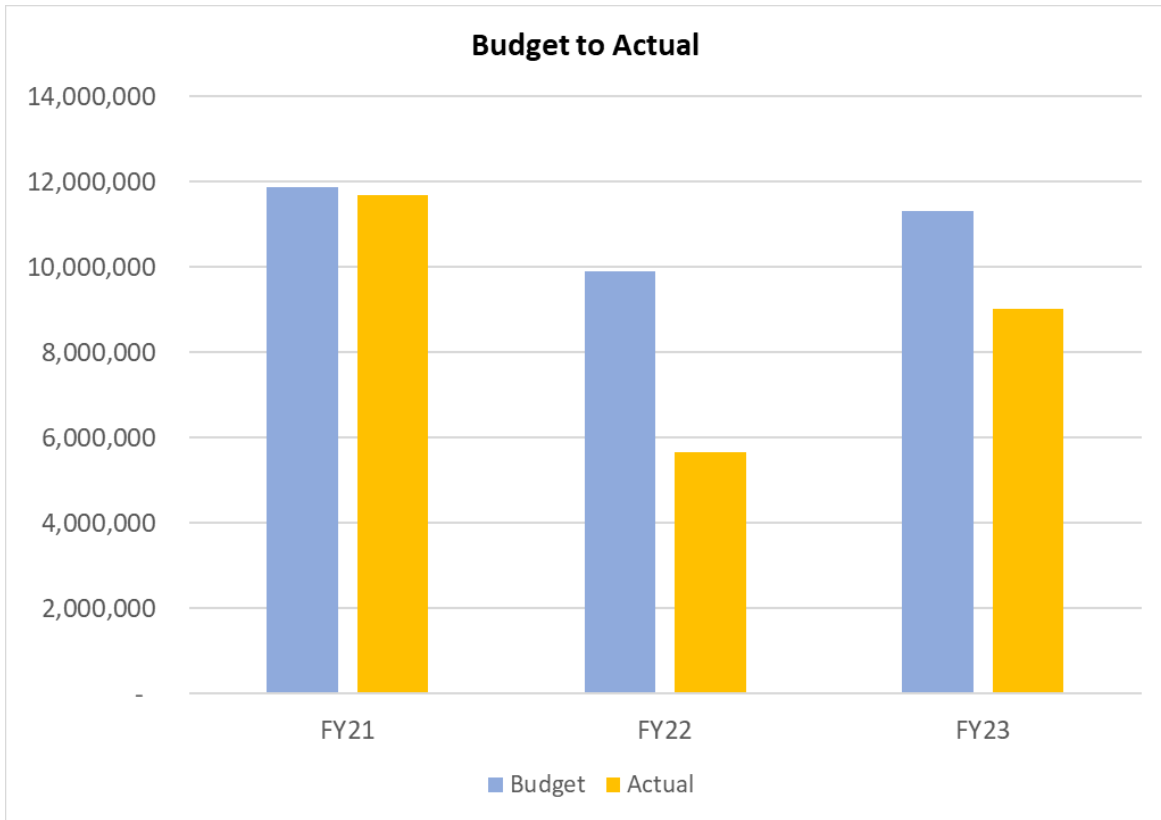
# Chief Administrative Officer

## Operating Budget Summary



Note: Chart data is provided in the Appendix 1





Note: Chart data is provided in the Appendix 1

## Personnel Data

| <b>Full-Time Equivalent Positions as of April 10, 2024</b> |                    |                    |                    |                      |                     |
|--|--------------------|--------------------|--------------------|----------------------|---------------------|
| <b>Positions</b>   | <b>FY22 Actual</b> | <b>FY23 Actual</b> | <b>FY24 Actual</b> | <b>FY25 Proposed</b> | <b>FY24 v. FY25</b> |
| General Fund   | 9                  | 9                  | 19                 | 20                   | 1                   |
| Filled   | 7                  | 8                  | 17                 |                      |                     |
| Vacant   | 2                  | 1                  | 2                  |                      |                     |

Note: The FY24 position increase reflects, in part, establishing the Office of Equity and Human Rights and moving the Anne Arundel Economic Development Corporation from the Office of the County Executive to the CAO.

## Key Observations

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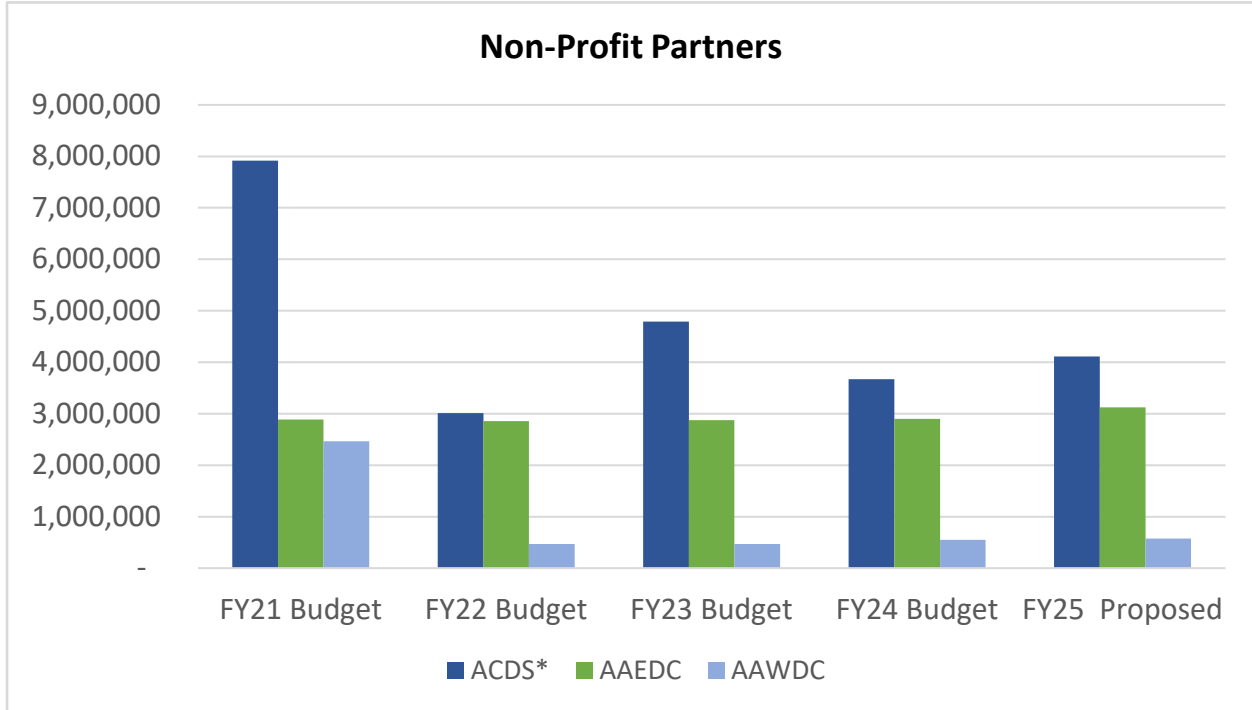
1. **New Executive Budget and Management Analyst Position** – The FY25 Proposed Current Expense Budget provides \$102,700 for salary and benefits to convert an existing, filled contractual position responsible for maintaining County performance information into a full-time position.
2. **Non-Profit Incubator at 41 Community Place, Crownsville** – The Administration advises that as part of efforts to create the Crownsville Hospital Memorial Park, the Non-profit Incubator provides capacity building services and support to non-profit organizations. The FY25 Proposed Current Expense Budget includes \$120,000 for training consultants and part-time employees.
3. **Resilience Authority** – The FY25 Proposed Current Expense Budget provides \$500,000 in grants to the Resilience Authority. This is consistent with funds budgeted over the past two years.
4. **Office of Equity and Human Rights** – Funding for this office, which was established in FY24, increased from \$626,000 in the Approved FY24 Current Expense Budget to \$717,700 in the FY25 Proposed Current Expense Budget.
5. **Grants with County Funds** – The Administration advises that the FY25 Proposed Current Expense Budget will be used to make the following grants:
  - \$85,000 in general funds will be distributed by the Office of Hispanic/Latino and Multicultural Resources to support cultural celebrations that foster respect and exposure to other cultures, celebrate the County’s diversity, and help build unity and serve as an educational opportunity for all;
  - \$2,000,000 in general funds will be distributed by ACDS to non-profit organizations working to provide human services programming in underserved communities, promote equity, and expand health and well-being; and
  - \$150,000 in general funds will be distributed by the CAO for additional community needs as they arise throughout the year.
6. **Contingency Account** – The FY25 Proposed Budget includes \$13,000,000 for the contingency account, consistent with the Approved FY24 Current Expense Budget. (See Appendix 4).

# County Support for Non-Profit Partner Organizations

## Key Observations

- General Fund Grants and Contributions to Non-Profit Partners** – The CAO’s FY25 Proposed Current Expense Budget dedicates \$7,495,700 of its annual budget to grants and contributions to non-profit partners.

**Non-Profit Partner Organizations Budgets – General Fund Grants**



\*ACDS funding increased due to the Housing Trust Fund receiving a \$10 million general fund contribution in FY23 and a \$2 million general fund contribution in FY24.

Note: Chart data is provided in the Appendix 2

- ACDS Funding** – The FY25 Proposed Current Expense Budget provides a total of \$19,145,900 for ACDS, which includes funding for a new Chief Affordable Housing Officer and is supported by a variety of revenues, including the General Fund (\$4,110,300), Housing Trust Fund (\$6,200,000), Community Development Fund (\$7,692,000), and Community Reinvestment and Repair Fund (\$1,143,600).

The Community Reinvestment and Repair Fund was established via Bill 57-23. A Community Reinvestment and Repair Commission is tasked with making recommendations on the allocation of this funding, but Commission members have not been appointed to date. ACDS must use the Community Reinvestment and Repair Fund revenues for programs that are

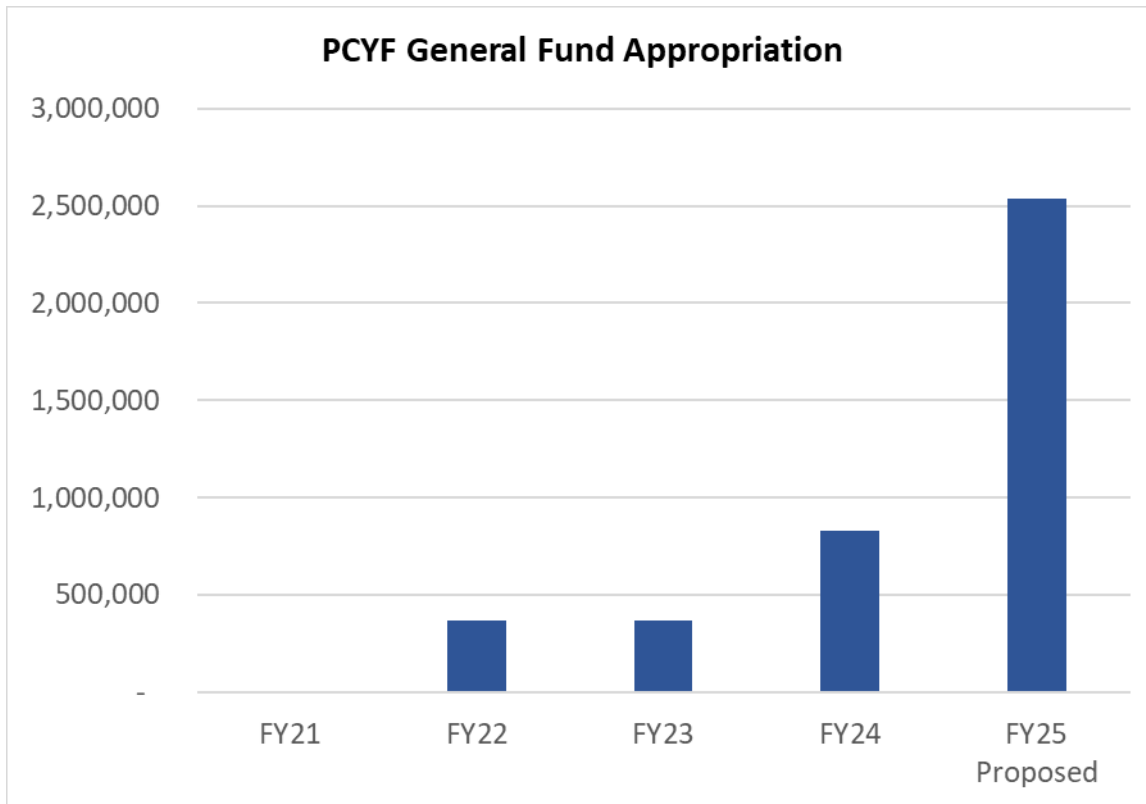
supplemental to and do not supplant funding that otherwise would be appropriated for County programs that existed prior to July 1, 2023.

3. **Tourism and Arts Funding** – In accordance with the Local Government Article, Section 20-603(c) of the Annotated Code of Maryland, the County’s share of revenue from the hotel tax, the County must distribute 3% to the Arts Council of Anne Arundel County and 17% to the Annapolis and Anne Arundel County Conference and Visitors Bureau from the County’s share of revenue from the hotel tax. The FY25 Proposed Current Expense Budget is based on gross hotel tax revenues that include the City of Annapolis in addition to the County share and reflects a 20% increase adjustment for any collections received in excess of the estimated hotel tax revenue.

# Partnership for Children, Youth and Families

## Operating Budget Summary

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Note: Chart data is provided in the Appendix 3

## Key Observations

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- Increase in County General Funds** – The Partnership for Children, Youth and Family’s (PCYF) FY25 Proposed Current Expense Budget is funded with an increase of \$1,708,200 (206%) in general funds. PCYF advised that the FY25 Proposed Current Expense Budget will be used to make general fund grants, including: \$1,500,415 to the County Food Bank to provide food to residents in need and \$249,783 to Annapolis Immigration Justice Network to provide legal services and for administration, which was previously funded American Rescue Plan Act grant funding.

# Appendix 1

## Chief Administrative Officer Chart Data

|                                  | FY21 Budget       | FY21 Actual       | FY22 Budget      | FY22 Actual      | FY23 Budget       | FY23 Actual      | FY24 Budget       | FY25 Proposed     | FY24 v FY25 (\$) | FY24 v FY25 (%) |
|----------------------------------|-------------------|-------------------|------------------|------------------|-------------------|------------------|-------------------|-------------------|------------------|-----------------|
| Personal Services                | 1,116,600         | 1,057,944         | 1,480,900        | 1,454,079        | 2,070,700         | 2,007,661        | 3,248,100         | 3,776,100         | 528,000          | 16%             |
| Contractual Services             | 208,000           | 157,801           | 308,000          | 257,884          | 637,000           | 135,325          | 380,800           | 503,000           | 122,200          | 32%             |
| Supplies & Materials             | 42,500            | 27,062            | 42,500           | 28,052           | 43,500            | 29,727           | 68,100            | 102,200           | 34,100           | 50%             |
| Business & Travel                | 25,100            | 32,708            | 29,100           | 27,017           | 41,000            | 22,463           | 41,000            | 65,800            | 24,800           | 60%             |
| Capital Outlay                   | -                 | 178               | -                | -                | -                 | -                | -                 | -                 | -                | #DIV/0!         |
| Grants, Contr. & Other           | 10,480,800        | 10,416,851        | 8,047,400        | 3,903,375        | 8,532,000         | 6,830,850        | 20,596,900        | 21,230,700        | 633,800          | 3%              |
| <b>Total</b>                     | <b>11,873,000</b> | <b>11,692,544</b> | <b>9,907,900</b> | <b>5,670,407</b> | <b>11,324,200</b> | <b>9,026,026</b> | <b>24,334,900</b> | <b>25,677,800</b> | <b>1,342,900</b> | <b>6%</b>       |
| <b>Total - Personal Services</b> | 10,756,400        | 10,634,600        | 8,427,000        | 4,216,328        | 9,253,500         | 7,018,365        | 21,086,800        | 21,901,700        |                  |                 |

| Proposed FY25 Budget by Bureau |                   |             |
|--------------------------------|-------------------|-------------|
| Name                           | FY25 Proposed     | % of Total  |
| Police Accountability Board    | 590,600           | 2%          |
| Chief Administrative Office    | 3,558,300         | 14%         |
| Equity and Human Rights        | 717,700           | 3%          |
| AAEDC                          | 3,124,800         | 12%         |
| ACDS                           | 4,110,300         | 16%         |
| AAWDC                          | 576,100           | 2%          |
| Contingency                    | 13,000,000        | 51%         |
| <b>Total</b>                   | <b>25,677,800</b> | <b>100%</b> |

| Proposed FY25 Budget by Expenditure Type |                   |             |
|--|-------------------|-------------|
| Object                                   | FY25 Proposed     | % of Total  |
| Personal Services                        | 3,776,100         | 0.147056991 |
| Contractual Services                     | 503,000           | 0.019588906 |
| Supplies & Materials                     | 102,200           | 0.003980092 |
| Business & Travel                        | 65,800            | 0.002562525 |
| Capital Outlay                           | -                 | 0           |
| Grants, Contr. & Other                   | 21,230,700        | 0.826811487 |
| <b>Total</b>                             | <b>25,677,800</b> | <b>1</b>    |

| Budget to Actual |                   |           |            |
|------------------|-------------------|-----------|------------|
|                  | FY21              | FY22      | FY23       |
| <b>Budget</b>    | <b>11,873,000</b> | 9,907,900 | 11,324,200 |
| <b>Actual</b>    | <b>11,692,544</b> | 5,670,407 | 9,026,026  |

## Appendix 2

### Non-Profit Partner Organizations Budgets Chart Data

|              | FY21 Budget | FY22 Budget | FY23 Budget | FY24 Budget | FY25 Proposed |
|--------------|-------------|-------------|-------------|-------------|---------------|
| <b>ACDS*</b> | 7,916,100   | 3,010,000   | 4,787,500   | 3,668,400   | 4,110,300     |
| <b>AAEDC</b> | 2,888,900   | 2,857,500   | 2,874,200   | 2,901,400   | 3,124,800     |
| <b>AAWDC</b> | 2,464,700   | 469,700     | 469,700     | 551,000     | 576,100       |

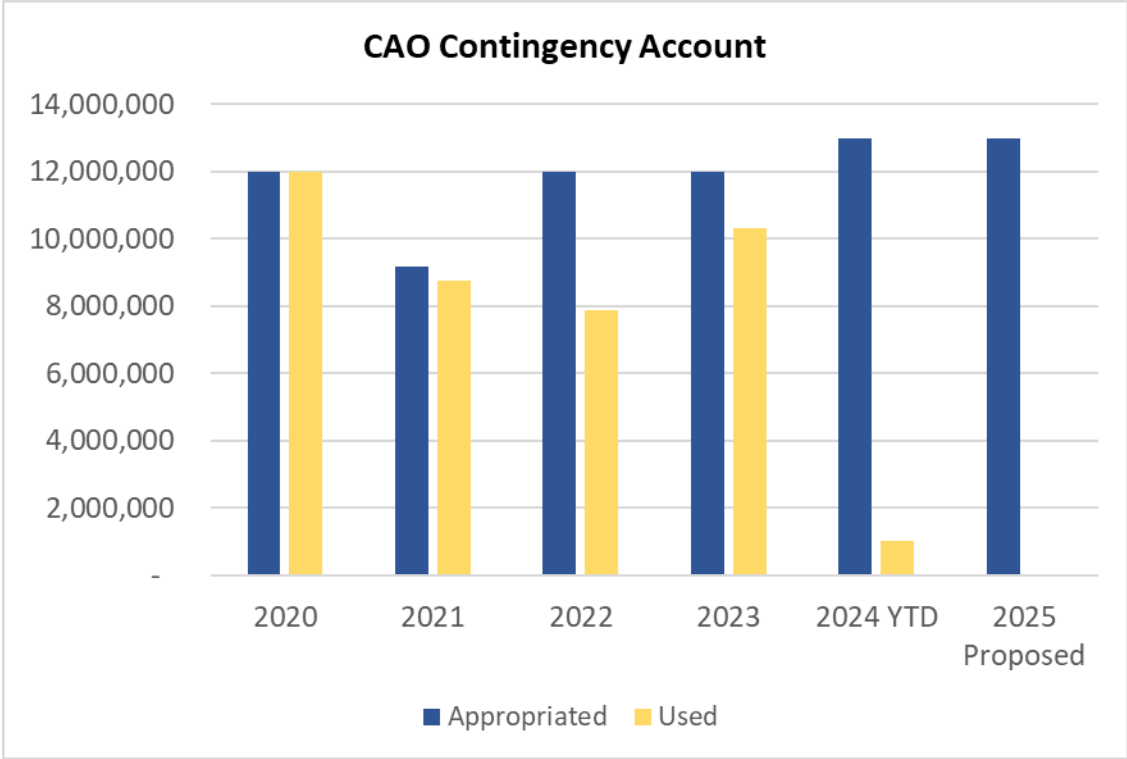
## Appendix 3

### Partnership for Children, Youth and Families Chart Data

| <b>Table 1 PCYF</b> | FY21 Budget | FY21 Actual | FY22 Budget  | FY22 Actual  | FY23 Budget  | FY23 Actual  | FY24 Budget  | FY25 Proposed  |
|---------------------|-------------|-------------|--------------|--------------|--------------|--------------|--------------|----------------|
| General Fund Total  | \$0.00      | \$0.00      | \$370,200.00 | \$370,200.00 | \$370,200.00 | \$370,200.00 | \$829,100.00 | \$2,537,300.00 |

## Appendix 4

### Chief Administrative Officer Contingency Account



### Key Observations

- 1. FY24 Contingency Account Balance** – There have been two requests to adjust the CAO contingency account appropriation in FY24.

Bill 15-24 transferred \$1,000,000 of appropriations in the contingency account to the Brooklyn Park Outdoor Rec Imps (Project #P576500) capital project. This left an available contingency account appropriation of \$12,000,000.

Bill 24-24, as amended on May 6, 2024, transfers \$4,224,100 of appropriations in the contingency account as follows: \$150,000 for the CAO (AAEDC), \$760,000 for the Department of Detention Facilities, \$471,300 for the Office of Transportation, and \$2,842,800 for the Department of Public Works. If this bill passes, the available contingency account appropriation would be \$7,775,900.





Legislation Review

# Review of the Fiscal Year 2025 Proposed Current Expense Budget Department of Aging

Report Date: May 13, 2024

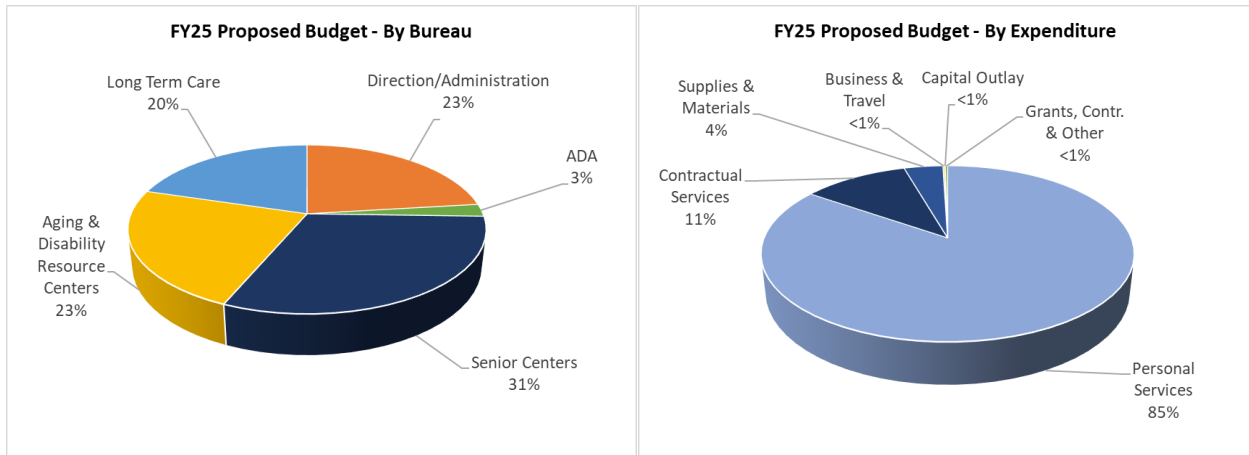
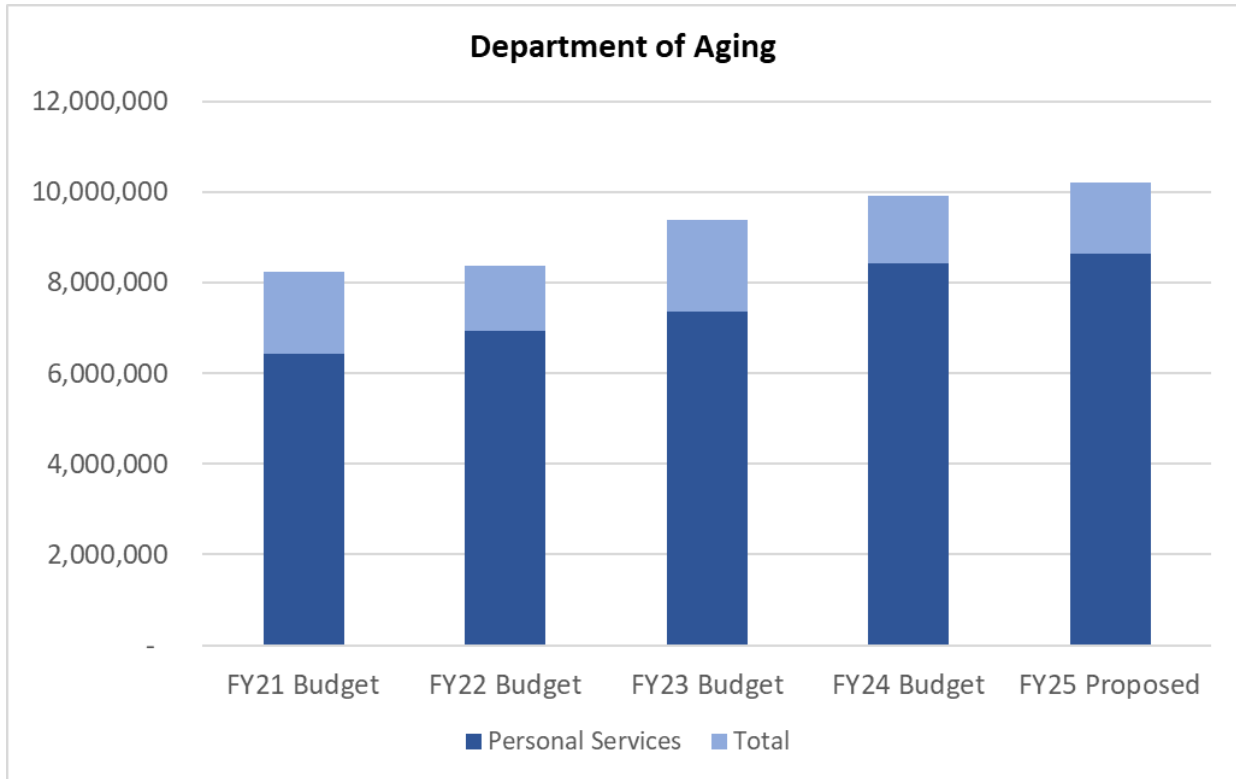
Hearing Date: May 14, 2024

|  |                            |
|--|----------------------------|
| <b>Questions Sent to the Agency:</b>       | <b>Friday, May 3, 2024</b> |
| <b>Responses Received from the Agency:</b> | <b>Monday, May 6, 2024</b> |

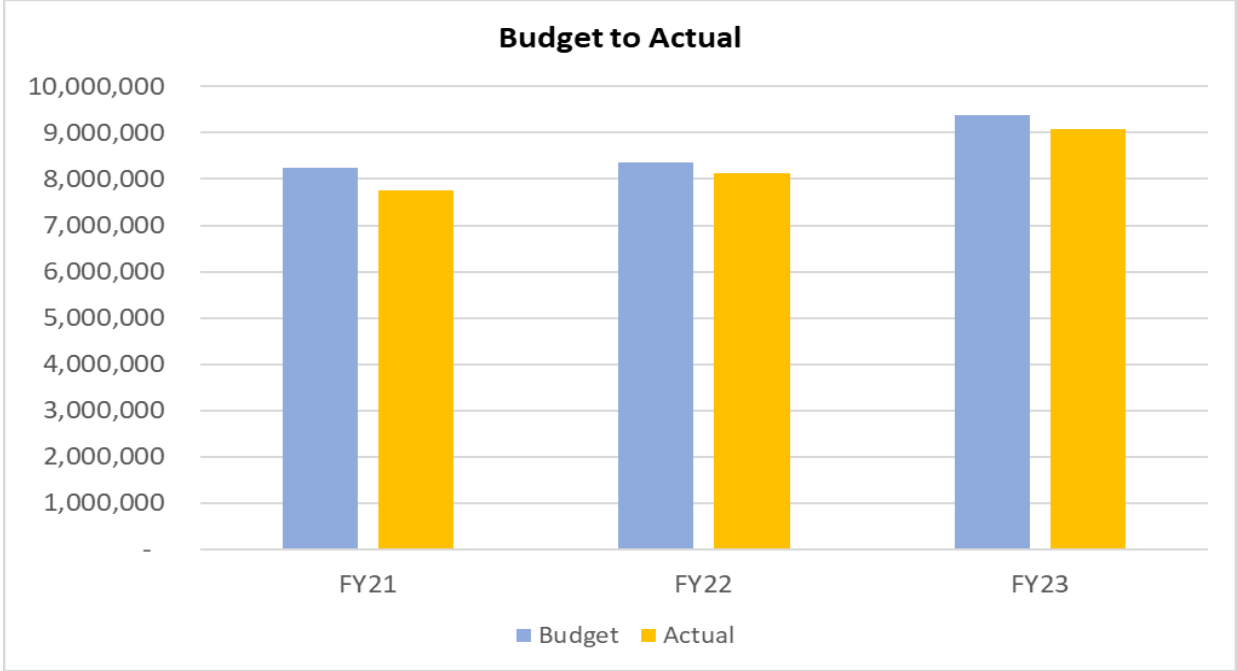
**This analysis considers all agency responses.**

## Department of Aging

### Operating Budget Summary



Note: Chart data is provided in the Appendix



Note: Chart data is provided in the Appendix

### Personnel Data

| Full-Time Equivalent Positions as of April 10, 2024 |             |             |             |               |              |
|---|-------------|-------------|-------------|---------------|--------------|
| Positions   | FY22 Actual | FY23 Actual | FY24 Actual | FY25 Proposed | FY24 v. FY25 |
| General Fund  | 62          | 68          | 70          | 71            | 1            |
| Filled  | 59          | 65          | 59          |               |              |
| Vacant  | 3           | 3           | 11          |               |              |

- Full-time classified positions increased by 1** – This reflects an increase of one new Program Specialist I position. All associated costs (salaries and benefits) for this new position is approximately \$81,800. This position is further described in Key Observations below.
- Two reclassifications, both vacant positions, are proposed** –
  - One vacant Human Services Supervisor position to a Program Specialist II, which is a lateral change. The Department of Aging (Aging) advised that this reclassification was due to qualification differences in the positions to better align with the needs of their department.
  - One vacant Management Assistant II position to a Senior Management Assistant position, which is reclassing the position from a NR-17 to NR-19 grade classification. Aging informed us they have been functioning without

this position since FY18 and requests the reclassification to meet their operational needs.

- **Funding for contractual staff decreased by \$211,700 (25.3 percent)** – The decrease is based on historical spending not reaching the appropriation level.

## **Key Observations**

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1. **Personal Services** – The new proposed Program Specialist I position will increase the staffing at the Severn Senior Center (also known as the Severn Intergenerational Center), which operates 12 hours a day, 7 days a week. After one year of operations, Aging requested this position to accommodate work hours covering evening and weekends.
2. **Contractual Services** – Costs include providing in-home aide services to clients in need of personal and respite care and chore services under the terms of the In Home Aide Services (IHAS) agreement. The inter-governmental agreement is between the Maryland Department of Human Services and Aging. The IHAS agreement provides 100% state reimbursement for these services to Aging. Aging is requesting an increase of approximately \$48,000 (from \$302,000 to \$350,000) for the cost of providing these services.

## Appendix: Chart Data

### Department of Aging Budget

|                        | FY21 Budget      | FY22 Budget      | FY23 Budget      | FY24 Budget      | FY25 Proposed     |
|------------------------|------------------|------------------|------------------|------------------|-------------------|
| Personal Services      | 6,427,300        | 6,938,800        | 7,357,800        | 8,433,500        | 8,647,400         |
| Contractual Services   | 1,312,300        | 1,035,300        | 1,200,600        | 1,037,200        | 1,113,200         |
| Supplies & Materials   | 418,500          | 332,000          | 502,100          | 395,700          | 408,500           |
| Business & Travel      | 52,000           | 34,400           | 30,000           | 27,200           | 18,300            |
| Capital Outlay         | 3,400            | 3,100            | 255,200          | 4,100            | 6,700             |
| Grants, Contr. & Other | 24,800           | 24,800           | 26,800           | 24,800           | 24,800            |
| <b>Total</b>           | <b>8,238,300</b> | <b>8,368,400</b> | <b>9,372,500</b> | <b>9,922,500</b> | <b>10,218,900</b> |

### FY25 Proposed Budget - By Bureau

| Name                                | FY25 Proposed     |
|-------------------------------------|-------------------|
| Direction/Administration            | 2,360,600         |
| ADA                                 | 242,700           |
| Transportation                      | -                 |
| Senior Centers                      | 3,161,900         |
| Aging & Disability Resource Centers | 2,375,300         |
| Volunteers & Employment             | -                 |
| Long Term Care                      | 2,078,400         |
| <b>Total</b>                        | <b>10,218,900</b> |

### FY25 Proposed Budget - By Expenditure

| Object                 | FY25 Proposed     |
|------------------------|-------------------|
| Personal Services      | 8,647,400         |
| Contractual Services   | 1,113,200         |
| Supplies & Materials   | 408,500           |
| Business & Travel      | 18,300            |
| Capital Outlay         | 6,700             |
| Grants, Contr. & Other | 24,800            |
| <b>Total</b>           | <b>10,218,900</b> |

### Budget to Actual

|               | FY21      | FY22      | FY23      |
|---------------|-----------|-----------|-----------|
| <b>Budget</b> | 8,238,300 | 8,368,400 | 9,372,500 |
| <b>Actual</b> | 7,766,085 | 8,117,619 | 9,082,924 |



Legislation Review

# Review of the Fiscal Year 2025 Proposed Current Expense Budget Department of Detention Facilities

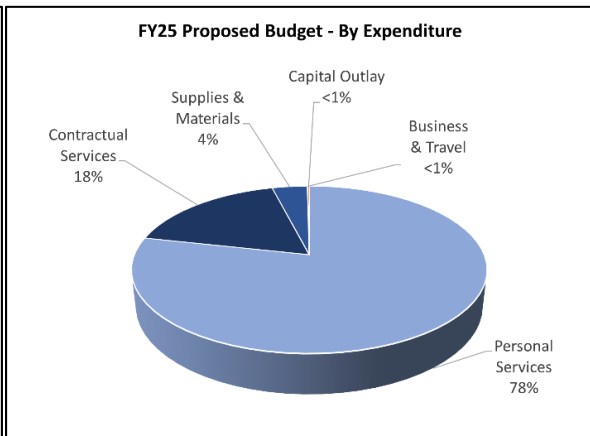
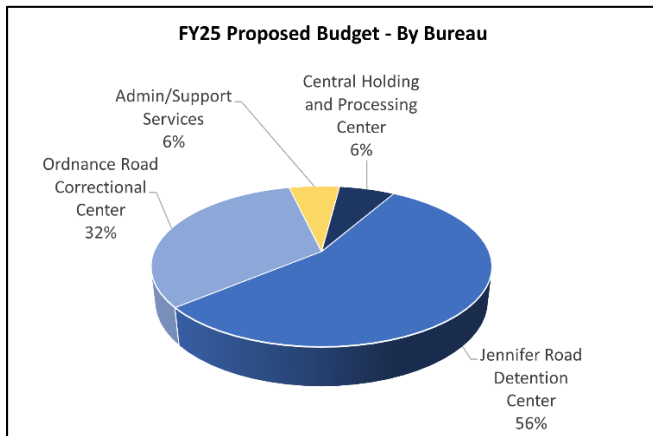
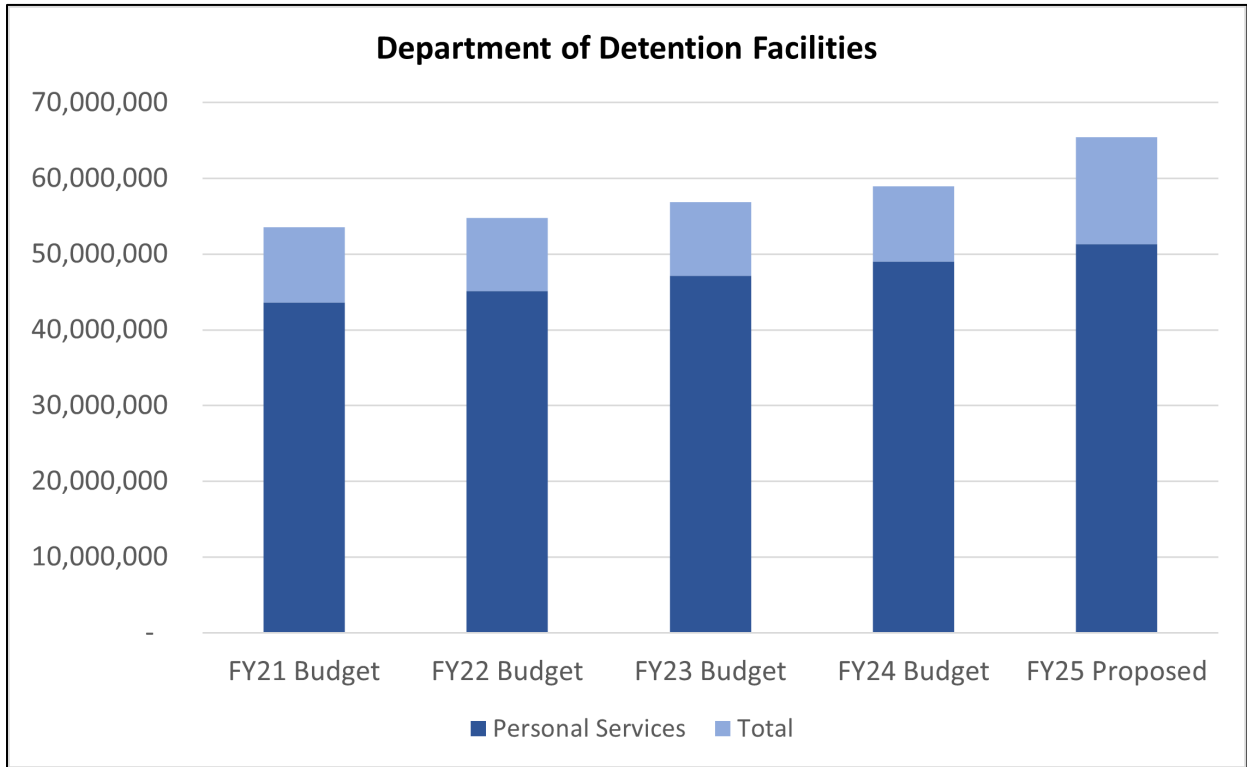
Report Date: May 22, 2024  
Hearing Date: May 23, 2024

|  |                                  |
|--|----------------------------------|
| <b>Questions Sent to the Agency:</b>       | <b>May 3, 2024; May 14, 2024</b> |
| <b>Responses Received from the Agency:</b> | <b>May 6, 2024; May 15, 2024</b> |

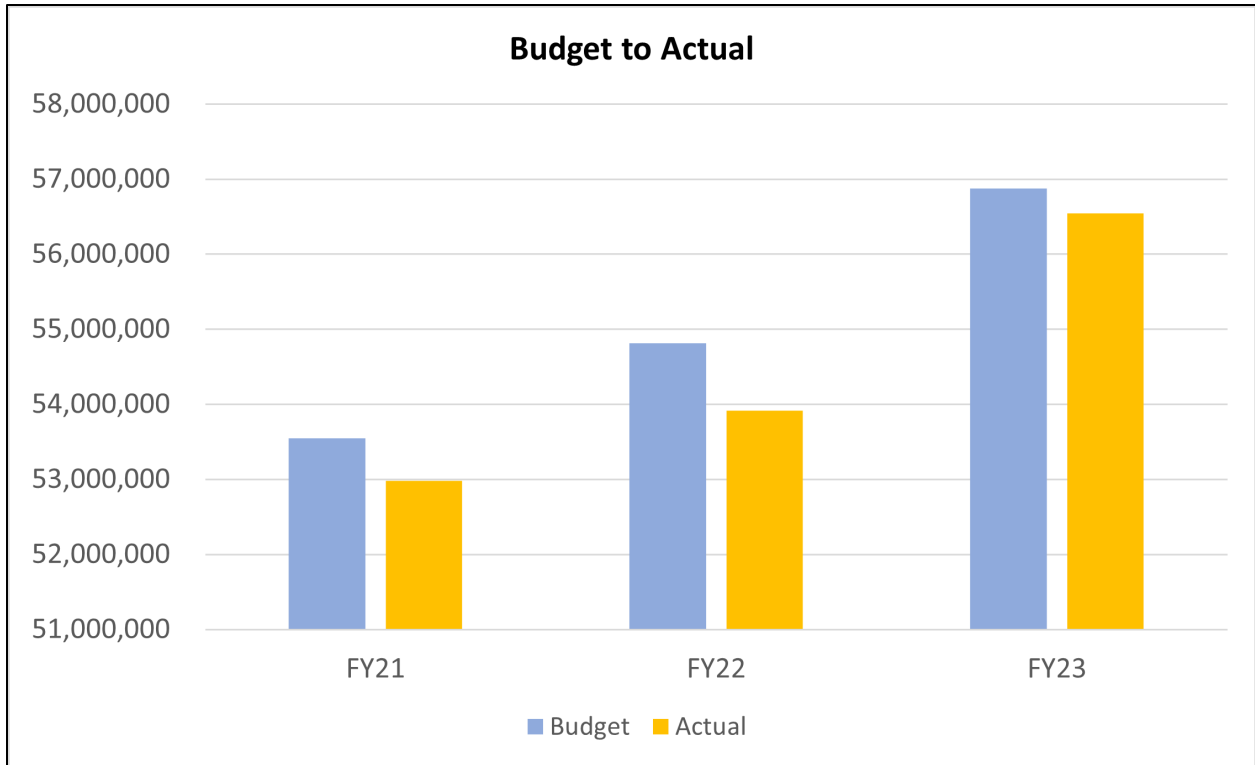
**This analysis considers all agency responses.**

# Department of Detention Facilities

## Operating Budget Summary



Note: Chart data provided in the Appendix



Note: Chart data provided in the Appendix

## Proposed Budget Change

|                             |                     |
|-----------------------------|---------------------|
| <b>FY24 Budget</b>          | <b>\$58,974,700</b> |
| <b>FY25 Proposed Budget</b> | <b>\$65,420,800</b> |

| <b>Where It Goes – Highlighted Changes</b>  | <b>Change</b> |
|---|---------------|
| Personnel – pay package (union and non-represented)   | 1,366,800     |
| Personnel – turnover (assumes more position vacancies)  | (206,000)     |
| Personnel – special pay (leave payout and union negotiated pay)   | 118,400       |
| Medical Services – new contract, with cost increases bided higher than expected, to provide inmate medical services   | 4,230,800     |
| Meal prices – increased for inflation of 13.5%, including higher costs of kosher meals, as allowed under the contract | 90,400        |
| Removal of one-time funding for full body security scanning system  | (130,000)     |



## Personnel Data

| <b>Full-Time Equivalent Positions as of April 10, 2024</b> |                    |                    |                    |                      |                     |
|--|--------------------|--------------------|--------------------|----------------------|---------------------|
| <b>Positions</b>   | <b>FY22 Actual</b> | <b>FY23 Actual</b> | <b>FY24 Actual</b> | <b>FY25 Proposed</b> | <b>FY24 v. FY25</b> |
| General Fund*  | 433.6              | 433.6              | 440.6              | 434.6                | (6)                 |
| Filled   | 367.6              | 356.6              | 384.6              |                      |                     |
| Vacant   | 66                 | 77                 | 56                 |                      |                     |

\* The Office of the Budget (Budget) advised that six Detention Officer positions were temporarily created to allow the Department of Detention Facilities to continue to fill these positions while filling vacant Corporal positions in FY24. Budget also advised that five of the six Corporal positions are expected to be filled in June 2024 and, once the Corporal positions are filled, these six Detention Officer positions will be deactivated.

- **Thirty-six grade reallocations, 26 filled and 10 vacant, are proposed.** The Department of Detention Facilities (Detention) advised the following grade reallocations proposed, which modifies the pay grades for positions classified as Booking Officer, Senior Booking Officer, Correctional Records Clerk I, and Correctional Records Clerk II, are due to difficulty filling positions and retaining staff.
  - Nineteen Booking Officer positions, 13 filled and 6 vacant, are receiving a grade reallocation from an OS-7 to OS-9.
  - Four Senior Booking Officer positions, 3 filled and 1 vacant, are receiving a grade reallocation from an OS-9 to OS-10.
  - Twelve Correctional Records Clerk I positions, 8 filled and 4 vacant, are receiving a grade reallocation from an OS-7 to OS-9.
  - One filled Correctional Records Clerk II position is receiving a grade reallocation from an OS-9 to OS-10.
- **Increase in special pays by \$118,400 (14%).** This reflects new negotiated allowances within the union agreements (such as, field training payments and firearms qualification payments).

## Key Observations

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- 1. Medical Services** – The FY25 Proposed Current Expense Budget request of \$10,380,800 (a \$4,230,800 (69%) increase from the FY24 approved budget of \$6,150,000) can be attributed to a rebid medical services contract for inmate medical, dental, mental health, and pharmaceutical services. This contract rebid price was significantly higher than expected, and the County went through multiple rounds of best and final offers to negotiate the prices lower. This is an initial three-year contract that began on March 31, 2024 with the option to renew for up to five additional one-year periods, including an annual increase of no less than 3% to be adjusted based on the consumer price index.
- 2. Meal Costs** – The FY25 Proposed Current Expense Budget request of \$1,373,500 (a \$90,400 (7%) increase from the FY24 approved budget of \$1,283,100) can be attributed to an anticipated increase in the current meal services contract based on the vendor requesting an adjustment for inflation of 13.5% in accordance with the consumer price index, as allowed under the contract, as well as an adjustment to the cost per kosher meal from an average cost per meal of \$1.83 in FY21 to \$5.49 in FY24. Detention and the Office of Central Services Purchasing Division are currently negotiating with the vendor that provides inmate meal services for FY25 meal prices.
- 3. Recruiting Class** –The current May 2024 recruiting class is for 21 new recruits with graduation expected in July 2024. The FY25 recruiting class is scheduled to start in August 2024 with graduation expected October 2024. This class is also expected to have 21 recruits. The recruits begin working in operations based on the end date of their field training, which varies based on the recruit. Detention advised that the most recent graduated recruit class began in September 2023 with 14 recruits and ended with 9 graduates in November 2023.

## Appendix: Chart Data

### Department of Detention Facilities Budget

|                        | FY21 Budget       | FY22 Budget       | FY23 Budget       | FY24 Budget       | FY25 Proposed     |
|------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Personal Services      | 43,586,700        | 45,149,800        | 47,128,000        | 48,991,300        | 51,310,000        |
| Contractual Services   | 7,011,600         | 7,111,600         | 7,173,500         | 7,345,300         | 11,489,800        |
| Supplies & Materials   | 2,671,300         | 2,389,500         | 2,389,500         | 2,403,400         | 2,481,300         |
| Business & Travel      | 31,600            | 32,600            | 39,400            | 35,700            | 28,500            |
| Capital Outlay         | 246,600           | 130,800           | 144,100           | 199,000           | 111,200           |
| Grants, Contr. & Other | -                 | -                 | -                 | -                 | -                 |
| <b>Total</b>           | <b>53,547,800</b> | <b>54,814,300</b> | <b>56,874,500</b> | <b>58,974,700</b> | <b>65,420,800</b> |

### FY25 Proposed Budget – By Bureau

| Name                                  | FY25 Proposed     |
|---------------------------------------|-------------------|
| Jennifer Road Detention Center        | 36,413,900        |
| Ordinance Road Correctional Center    | 21,153,300        |
| Admin/Support Services                | 3,740,000         |
| Central Holding and Processing Center | 4,113,600         |
| <b>Total</b>                          | <b>65,420,800</b> |

### FY25 Proposed Budget – By Expenditure

| Object                 | FY25 Proposed     |
|------------------------|-------------------|
| Personal Services      | 51,310,000        |
| Contractual Services   | 11,489,800        |
| Supplies & Materials   | 2,481,300         |
| Business & Travel      | 28,500            |
| Capital Outlay         | 111,200           |
| Grants, Contr. & Other | -                 |
| <b>Total</b>           | <b>65,420,800</b> |

### FY21-FY23 Budget to Actual

|               | FY21       | FY22          | FY23          |
|---------------|------------|---------------|---------------|
| <b>Budget</b> | 53,547,800 | \$ 54,814,300 | \$ 56,874,500 |
| <b>Actual</b> | 52,979,629 | \$ 53,915,873 | \$ 56,541,720 |



Legislation Review

# Review of the Fiscal Year 2025 Proposed Current Expense Budget Department of Health

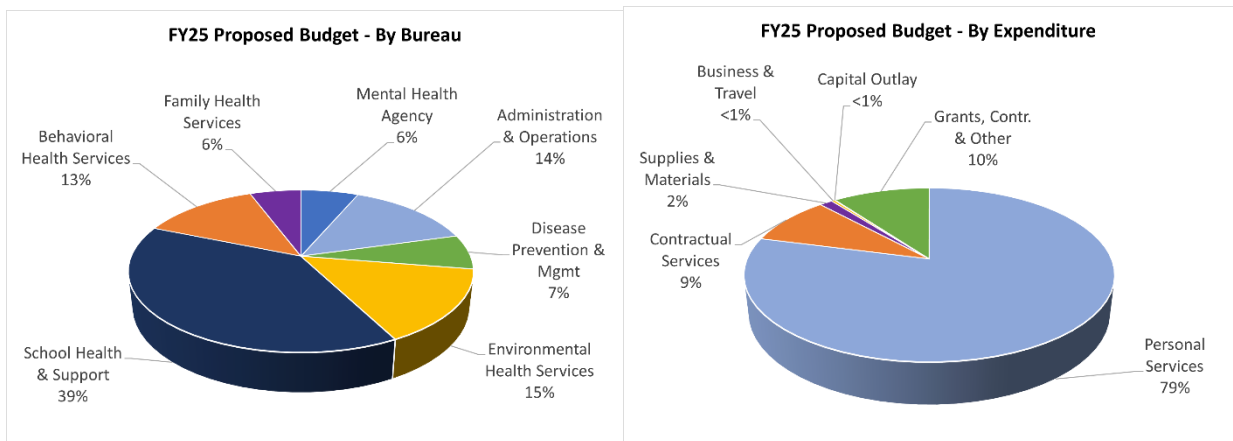
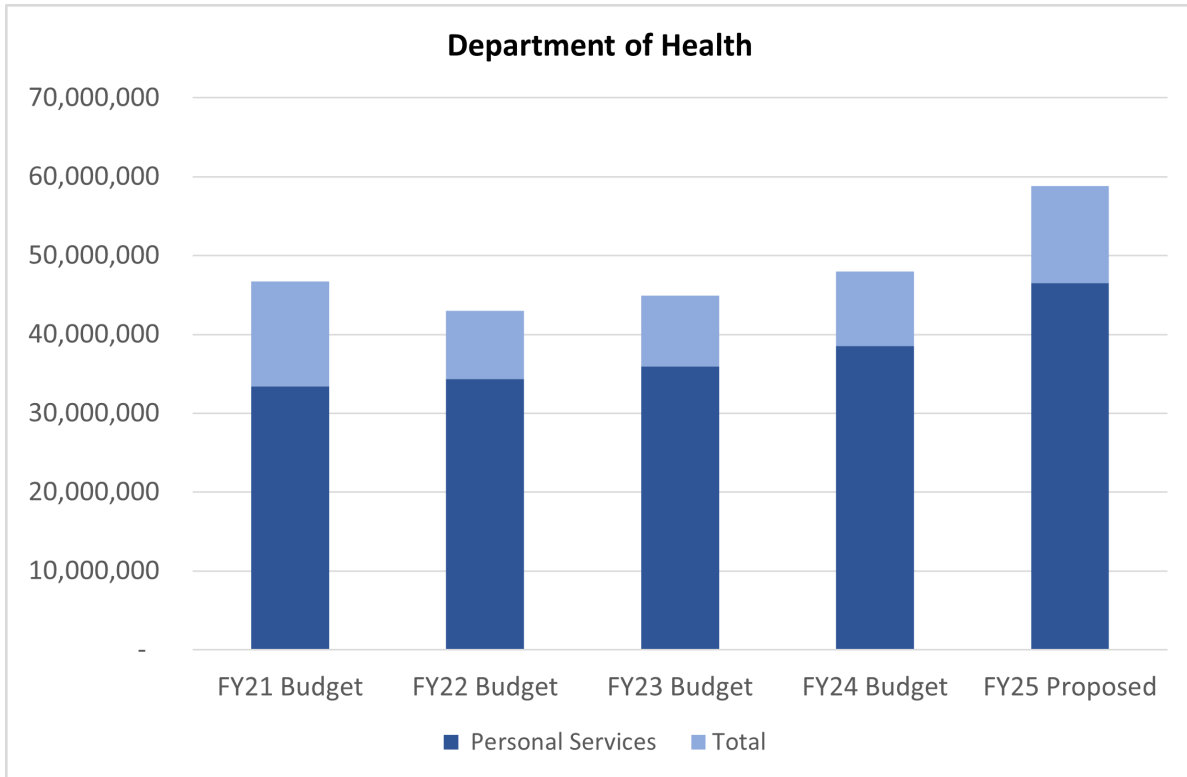
Report Date: May 13, 2024  
Hearing Date: May 14, 2024

|  |                              |
|--|------------------------------|
| <b>Questions Sent to the Agency:</b>       | <b>Friday, May 3, 2024</b>   |
| <b>Responses Received from the Agency:</b> | <b>Thursday, May 9, 2024</b> |

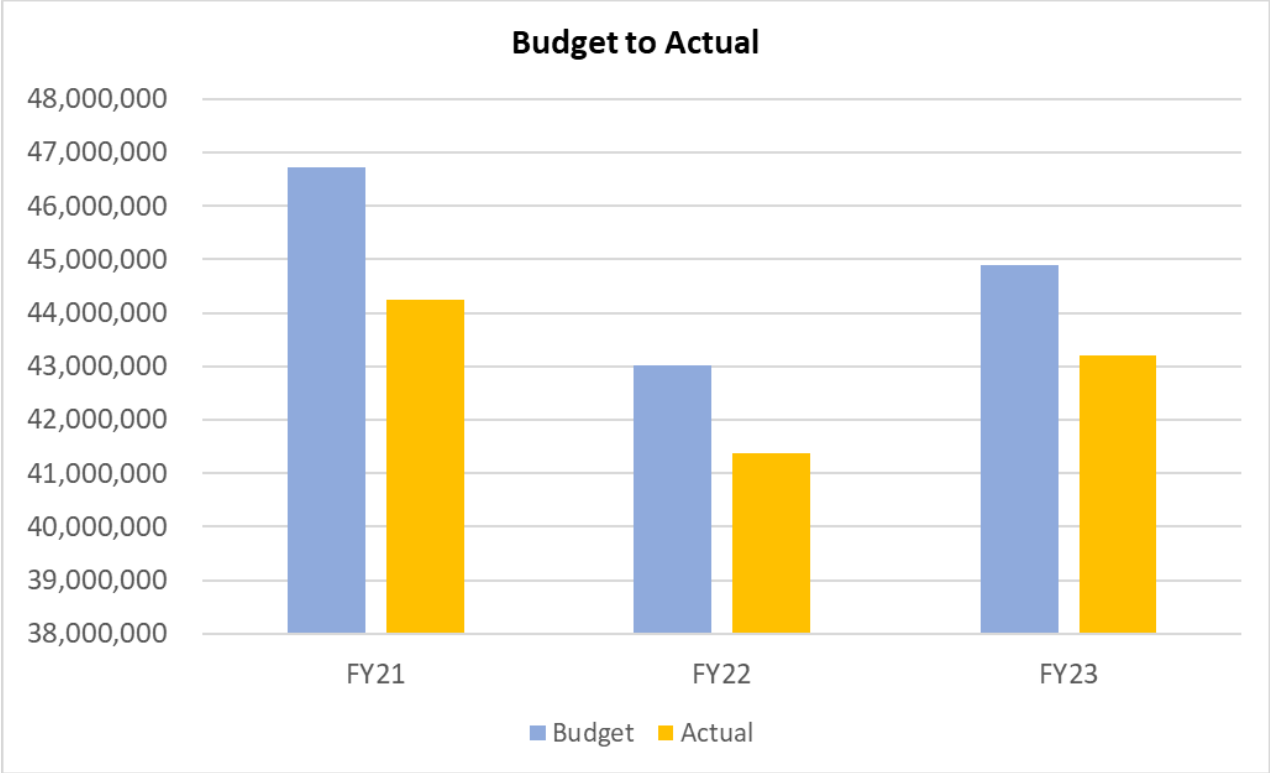
**This analysis considers all agency responses.**

# Department of Health

## Operating Budget Summary



Note: Chart data is provided in the Appendix



Note: Chart data is provided in the Appendix

### Personnel Data

| Full-Time Equivalent Positions as of April 10, 2024 |             |             |             |               |              |
|---|-------------|-------------|-------------|---------------|--------------|
| Positions   | FY22 Actual | FY23 Actual | FY24 Actual | FY25 Proposed | FY24 v. FY25 |
| General Fund  | 72.95       | 75.62       | 75.82       | 75.82         | 0            |
| Filled  | 61.95       | 68.62       | 69.82       |               |              |
| Vacant  | 11          | 7           | 6           |               |              |

- Funding for contractual pay staff increased by \$2.4 million** – The FY25 Proposed Current Expense Budget for the Department of Health includes approximately \$13.7 million in contractual pay for its 421 contractual positions of which \$11.3 million is for 340 school health positions in the Bureau of School Health and Support. See further details under Key Observations regarding the Department of Health’s Personal Services category.

## Key Observations

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2. We are still finishing our review of the Department of Health's Personal Services category to understand the assumptions and \$10.1 million increase in general funds included in the FY25 Proposed Current Expense Budget.
3. We are still understanding the General Fund increase of \$800,000 and the elimination of special grant funds – Health Dept. of \$600,000 in the Grants, Contributions & Other category to the Mental Health Agency included in the FY25 Proposed Current Expense Budget.
4. The Department of Health is requesting \$167,900 for replacement of computers and related equipment based on the County's five-year replacement policy. We are still determining how these costs are budgeted in the Department of Health and not in the Office of Information Technology.
5. The Department of Health is requesting \$5.9 million for grants and contributions to various organizations, including continued funding for Community Health Ambassador partners and Cure Violence programs of \$1.2 million, operating expenses for the Anne Arundel County Food Bank of \$344,000, and approximately \$594,000 for substance abuse treatment and the YWCA of Annapolis and Anne Arundel County's Domestic Violence Hotline, Sexual Assault Hotline, and Crisis Intervention and other behavioral health programs.

## Appendix: Chart Data

### Department of Health Budget

|                        | FY21 Budget       | FY22 Budget       | FY23 Budget       | FY24 Budget       | FY25 Proposed     |
|------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Personal Services      | 33,400,800        | 34,345,900        | 35,963,300        | 38,513,500        | 46,492,300        |
| Contractual Services   | 9,549,600         | 5,157,500         | 4,266,800         | 4,490,500         | 5,332,900         |
| Supplies & Materials   | 976,400           | 629,800           | 757,000           | 781,400           | 793,900           |
| Business & Travel      | 217,600           | 218,500           | 180,300           | 197,500           | 200,500           |
| Capital Outlay         | 56,000            | 64,200            | 64,000            | 51,200            | 45,700            |
| Grants, Contr. & Other | 2,510,600         | 2,609,500         | 3,671,100         | 3,916,100         | 5,942,100         |
| <b>Total</b>           | <b>46,711,000</b> | <b>43,025,400</b> | <b>44,902,500</b> | <b>47,950,200</b> | <b>58,807,400</b> |

### FY25 Proposed Budget - By Bureau

| Name                          | FY25 Proposed        |
|-------------------------------|----------------------|
| Mental Health Agency          | \$ 3,783,300         |
| Administration & Operations   | \$ 8,350,500         |
| Disease Prevention & Mgmt     | \$ 4,071,600         |
| Environmental Health Services | \$ 8,681,800         |
| School Health & Support       | \$ 22,867,900        |
| Behavioral Health Services    | \$ 7,691,100         |
| Family Health Services        | \$ 3,361,200         |
| <b>Total</b>                  | <b>\$ 58,807,400</b> |

### FY25 Proposed Budget - By Expenditure

| Object                 | FY25 Proposed        |
|------------------------|----------------------|
| Personal Services      | \$ 46,492,300        |
| Contractual Services   | \$ 5,332,900         |
| Supplies & Materials   | \$ 793,900           |
| Business & Travel      | \$ 200,500           |
| Capital Outlay         | \$ 45,700            |
| Grants, Contr. & Other | \$ 5,942,100         |
| <b>Total</b>           | <b>\$ 58,807,400</b> |

### Budget to Actual

|               | FY21              | FY22          | FY23          |
|---------------|-------------------|---------------|---------------|
| <b>Budget</b> | <b>46,711,000</b> | \$ 43,025,400 | \$ 44,902,500 |
| <b>Actual</b> | <b>44,243,807</b> | \$ 41,385,768 | \$ 43,205,662 |





Legislation Review

# Review of the Fiscal Year 2025 Proposed Current Expense Budget Department of Public Libraries

Report Date: May 12, 2024  
Hearing Date: May 13, 2024

|  |                               |
|--|-------------------------------|
| <b>Questions Sent to the Agency:</b>       | <b>Wednesday, May 1, 2024</b> |
| <b>Responses Received from the Agency:</b> | <b>Friday, May 3, 2024</b>    |

**This analysis considers all agency responses.**

## Department of Public Libraries

### Department of Public Libraries Maintenance of Effort (MOE) History

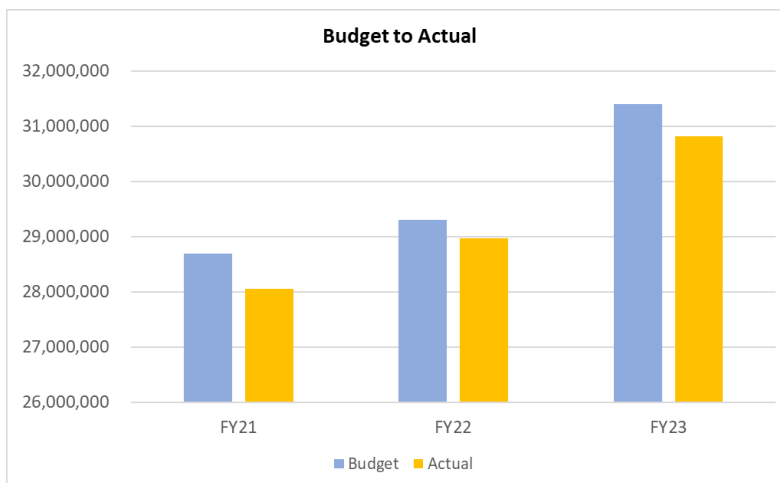
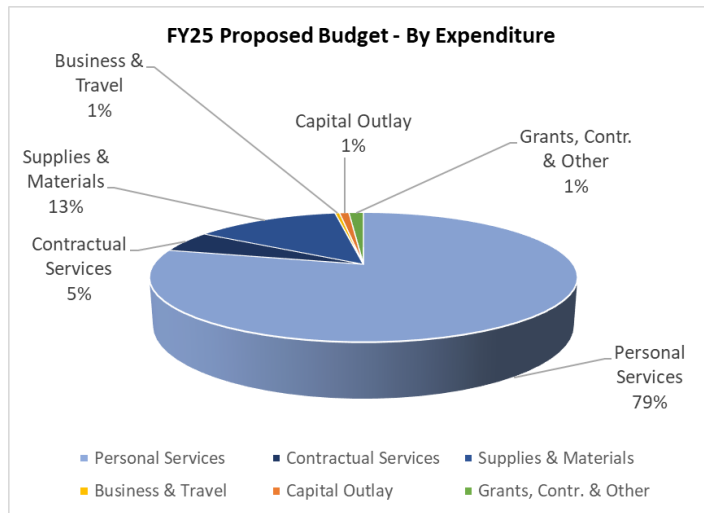
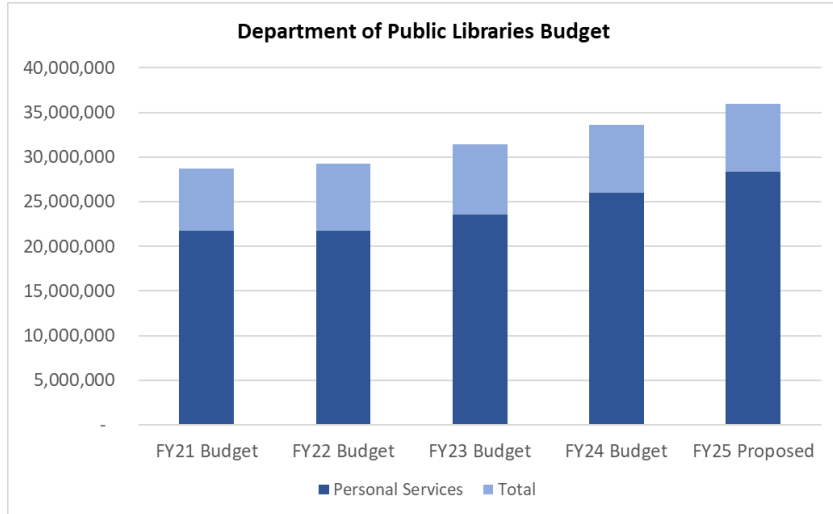
| Fiscal Year     | Budgeted<br>Appropriation* | Appropriation<br>Required* | Amount Over<br>MOE |
|-----------------|----------------------------|----------------------------|--------------------|
| 2020            | \$26,804,800               | \$5,652,182                | \$21,152,618       |
| 2021            | 22,339,100                 | 5,819,532                  | 16,519,568         |
| 2022            | 23,538,700                 | 6,074,454                  | 17,464,246         |
| 2023            | 29,357,500                 | 6,229,503                  | 23,127,997         |
| 2024            | 33,818,200                 | 6,371,892                  | 27,446,308         |
| 2025 (Proposed) | 61,101,900**               | 6,528,510                  | 54,573,390         |

\* Budgeted Appropriation and Appropriation Required exclude the appropriation from the Video Lottery Terminal Impact Aid Fund. MOE for the Department of Public Libraries includes both operating and capital funding.

\*\* The increase in the proposed FY25 Budgeted Appropriation is mainly related to \$29 million in FY25 General County Bonds funding for the New Glen Burnie Library capital project (L576100).

NOTE: The Education Article, Section 23-503 of the Annotated Code of Maryland requires the State to provide approximately 40 percent of the total cost of the minimum program and not less than 20 percent of the cost of the minimum program in any county. Furthermore, counties participating in the program together are required to provide approximately 60 percent of the total statewide cost of the minimum program. This includes both operating and capital expenses.

# Operating Budget Summary



## Key Observations

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1. The Department of Public Libraries (Library) is also receiving FY25 funding of \$550,000 in Video Lottery Terminal Impact Aid Funds consisting of \$500,000 for operating costs and \$50,000 for salary funding at the Severn Library.
2. We are still finishing our review of the Library Personal Services category to understand the assumptions and salary increases included in the FY25 Proposed Current Expense Budget.
3. **Notable Changes from prior year** – There was a \$310,400 decrease in the FY25 request from the FY24 appropriation for Data Processing Software (7605) as the Library changed to a web-based library management system, resulting in lower annual costs.
4. **New Programs or Projects** – Due to the projected expansion of Discoveries: The Library at the Mall (Annapolis), two new Library Associate positions are anticipated to be hired to work at this location during FY25 with salary, benefits, and ancillary costs of approximately \$137,000.

The Library has an estimated budgetary fund balance of \$912,500 as of June 30, 2024. A portion of these funds will be used for expansion costs of Discoveries: The Library at the Mall, including construction, furniture, fixtures, and equipment. Additionally, with the passage of House Bill 609 by the Maryland General Assembly during its 2024 legislative session, effective July 1, 2024, which allows for employees of the Library system to unionize. If any employee groups were to unionize, the Library would incur costs for negotiation services, a workload the Library does not currently undertake. The Library estimates \$475,000 of the estimated budgetary fund balance will be used for the collective costs of the Discoveries: The Library at the Mall expansion. The \$437,500 remainder of the estimated fund balance is expected to be used for union negotiation services.

## Appendix: Chart Data

### Department of Public Libraries Budget

|                        | FY21 Budget       | FY22 Budget       | FY23 Budget       | FY24 Budget       | FY25 Proposed     |
|------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Personal Services      | 21,710,600        | 21,706,600        | 23,587,500        | 25,987,300        | 28,338,700        |
| Contractual Services   | 1,633,500         | 1,837,700         | 2,022,600         | 2,205,400         | 1,904,300         |
| Supplies & Materials   | 4,529,000         | 4,779,000         | 4,811,900         | 4,783,100         | 4,796,100         |
| Business & Travel      | 146,500           | 146,500           | 146,500           | 141,500           | 146,500           |
| Capital Outlay         | 239,000           | 399,000           | 390,700           | 451,600           | 309,300           |
| Grants, Contr. & Other | 433,000           | 433,000           | 433,000           | -                 | 475,000           |
| <b>Total</b>           | <b>28,691,600</b> | <b>29,301,800</b> | <b>31,392,200</b> | <b>33,568,900</b> | <b>35,969,900</b> |

### FY25 Proposed Budget - By Expenditure

| Object                 | FY25 Proposed     |
|------------------------|-------------------|
| Personal Services      | 28,338,700        |
| Contractual Services   | 1,904,300         |
| Supplies & Materials   | 4,796,100         |
| Business & Travel      | 146,500           |
| Capital Outlay         | 309,300           |
| Grants, Contr. & Other | 475,000           |
| <b>Total</b>           | <b>35,969,900</b> |

### Budget to Actual

|               | FY21       | FY22          | FY23          |
|---------------|------------|---------------|---------------|
| <b>Budget</b> | 28,691,600 | \$ 29,301,800 | \$ 31,392,200 |
| <b>Actual</b> | 28,055,316 | \$ 28,966,028 | \$ 30,809,842 |



Legislation Review

# Review of the Fiscal Year 2025 Proposed Current Expense Budget Department of Public Works

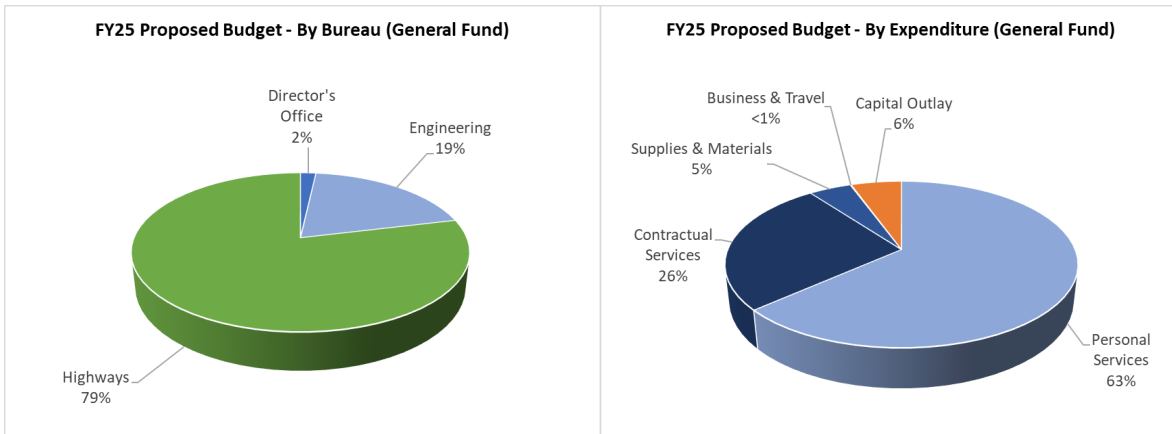
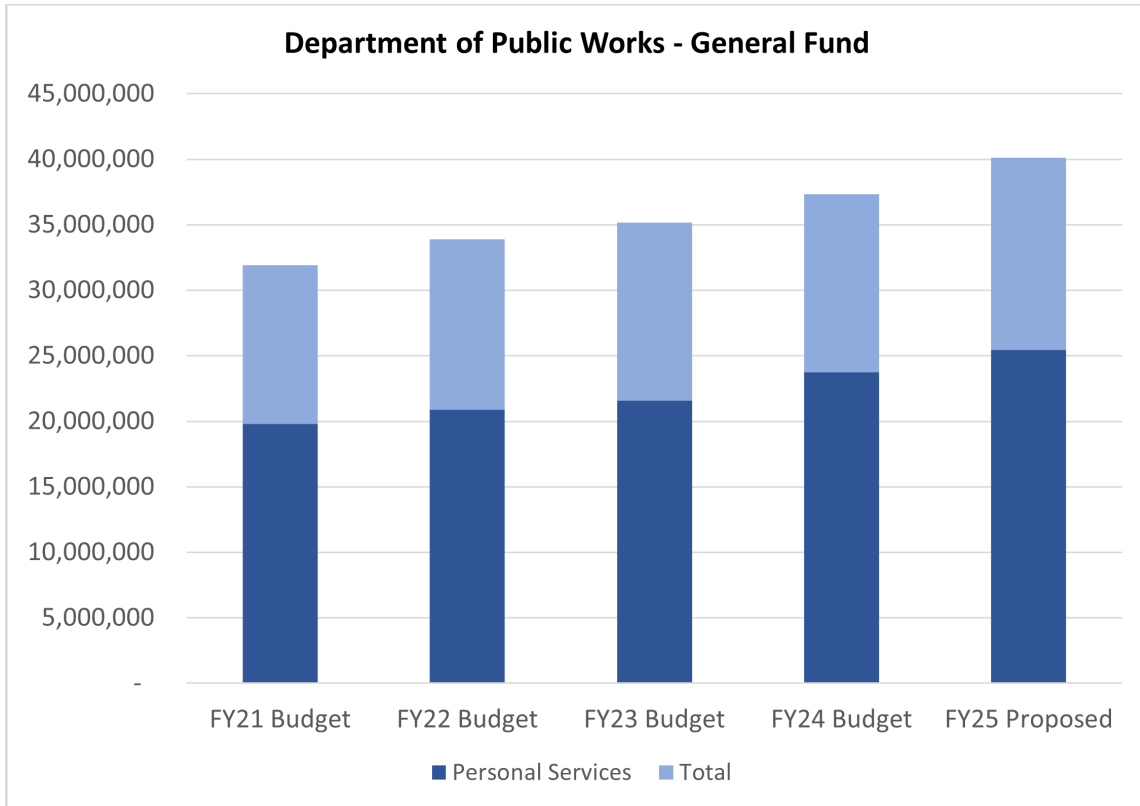
Report Date: May 15, 2024  
Hearing Date: May 16, 2024

|  |                                 |
|--|---------------------------------|
| <b>Questions Sent to the Agency:</b>       | <b>May 3, 2024; May 4, 2024</b> |
| <b>Responses Received from the Agency:</b> | <b>May 8, 2024; May 9, 2024</b> |

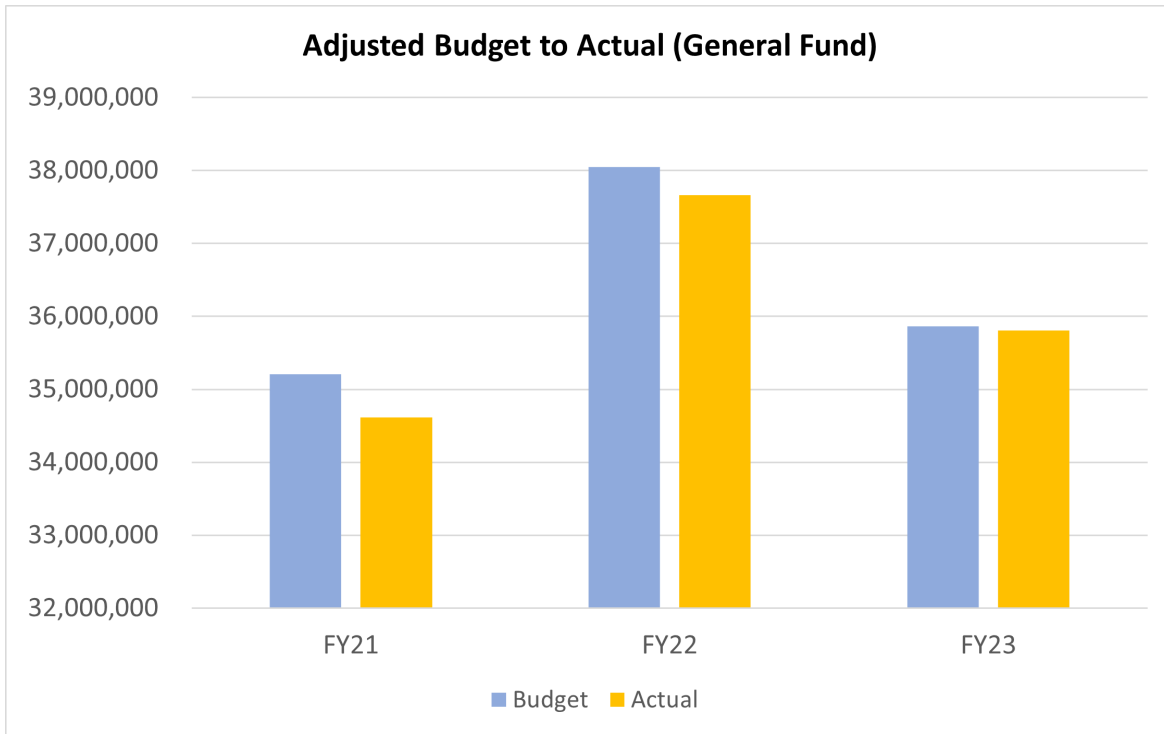
**This analysis considers all agency responses.**

## Department of Public Works (DPW) – General Fund

### Operating Budget Summary



Note: Chart data is provided in Appendix 1



Note: Chart data is provided in Appendix 1. Adjusted Budget includes supplemental appropriations of \$3,282,800 for FY21, \$4,157,700 in FY22, and \$701,900 in FY23 and, therefore, does not match the Original Budget used in Chart 1.

## Proposed Budget Changes

|                             |                     |
|-----------------------------|---------------------|
| <b>FY24 Original Budget</b> | <b>\$37,344,200</b> |
| <b>FY25 Proposed Budget</b> | <b>\$40,118,400</b> |

| <b>Where It Goes – Highlighted Changes</b>   | <b>Change</b> |
|--|---------------|
| County pay package and benefits adjustments (cost of living and step/merit increases)    | 1,699,000     |
| Traffic congestion reduction strategic plan implementation                               | 150,000       |
| Street lights maintenance contract with Baltimore Gas and Electric                       | 160,000       |
| Reduction in highway heavy equipment purchases from FY24 purchases                       | (290,000)     |
| Supplies and materials associated with the traffic facility building fire (see #1 below) | 114,600       |
| Furniture and fixtures associated with the traffic facility building fire (see #1 below) | 485,300       |



## Personnel Data

| <b>Full-Time Equivalent Positions as of April 10, 2024</b> |                    |                    |                    |                      |                     |
|--|--------------------|--------------------|--------------------|----------------------|---------------------|
| <b>Positions</b>   | <b>FY22 Actual</b> | <b>FY23 Actual</b> | <b>FY24 Actual</b> | <b>FY25 Proposed</b> | <b>FY24 v. FY25</b> |
| General Fund   | 245                | 243                | 247                | 247                  | 0                   |
| Filled   | 200                | 209                | 219                |                      |                     |
| Vacant   | 45                 | 34                 | 28                 |                      |                     |

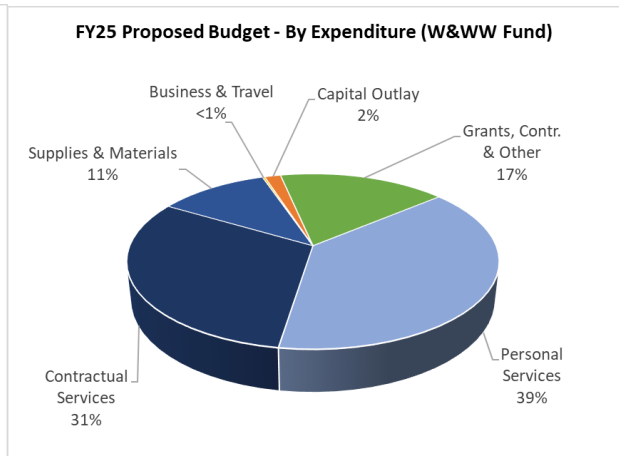
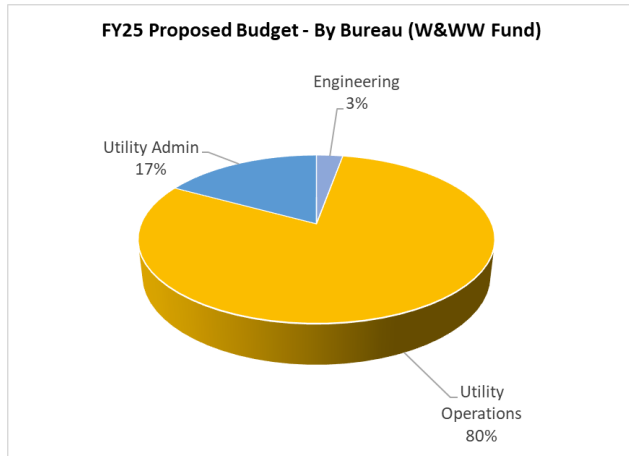
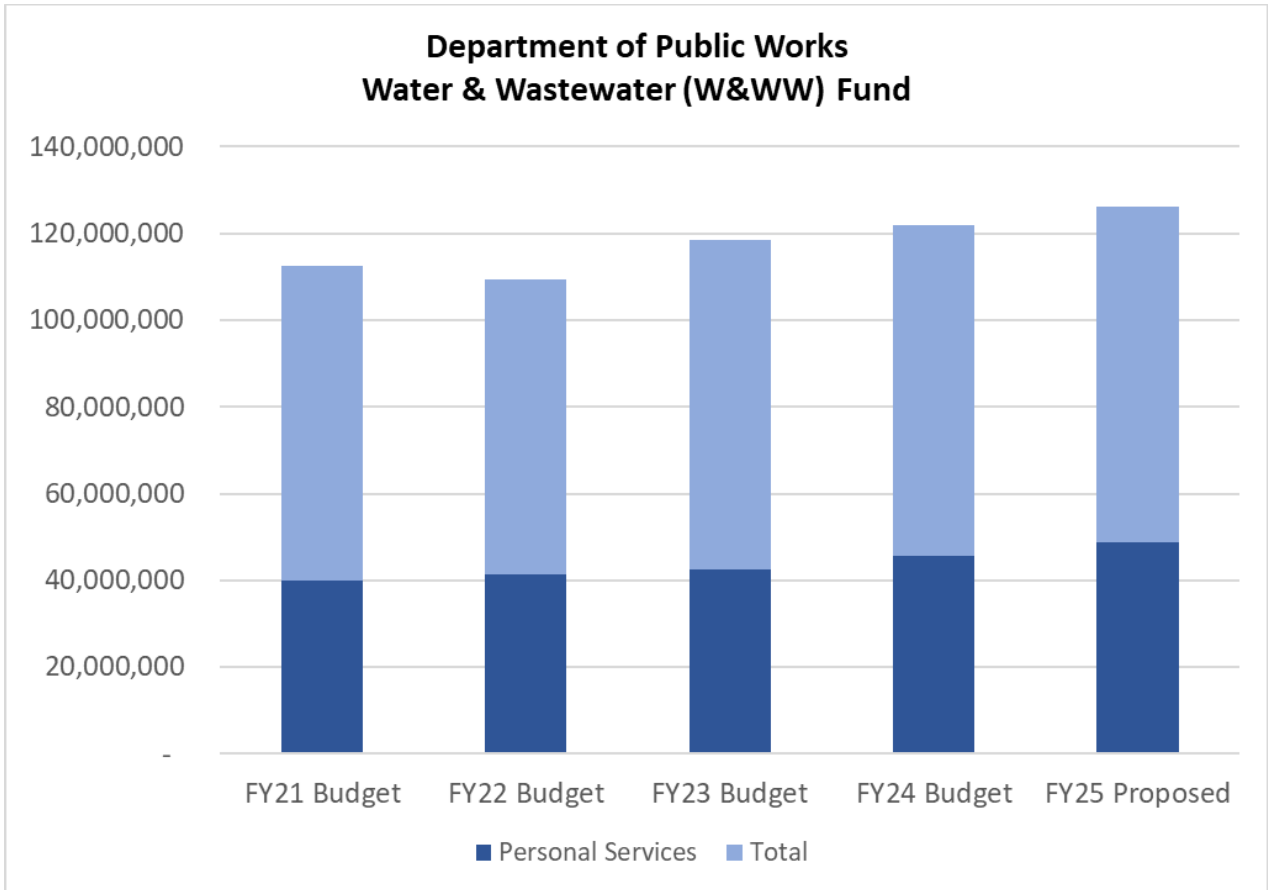
- **Four reclassifications are proposed –**
  - One vacant Engineer III position to a Senior Engineer, reclassing the position one grade from a NR-18 to NR-19. The Department of Public Works (DPW) advised that a Senior Engineer will provide the skills, experience, and training needed to lead the Traffic Engineering Division's Traffic Signal Operations Section.
  - Three filled Mason positions are reclassified three grades from LM-7 to LM-10. DPW advised that these reclassifications were recommended pursuant to a desk audit evaluation of this classification.

## Key Observations

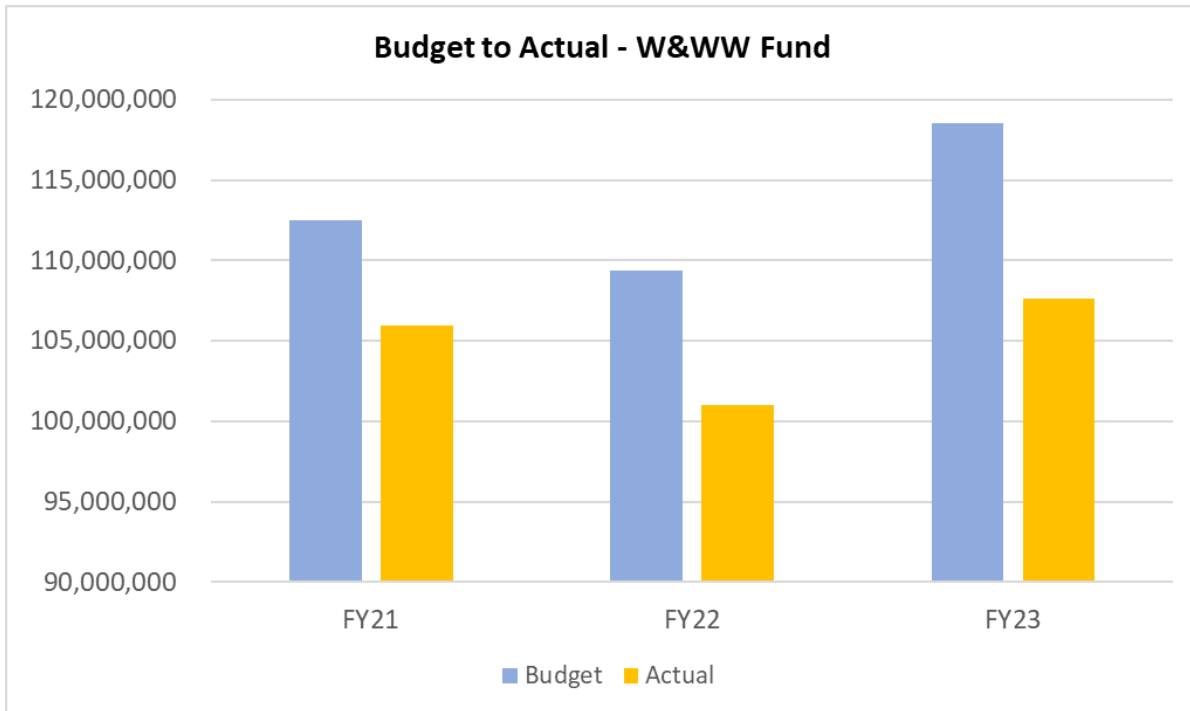
1. **Highway Maintenance Facility Fire Recovery** – The Bureau of Highways experienced a fire at its traffic maintenance facility in Millersville on March 18, 2024. Bill 24-24 proposes to transfer \$204,000 from the Chief Administrative Officer's contingency account to DPW to replace equipment lost due to the fire. The FY25 Proposed Current Expense Budget includes an additional \$600,000 to replace sign fabrication equipment, supplies, computers and related equipment, office furniture, and uniforms destroyed in the fire. DPW anticipates that before the end of FY25, the County will be reimbursed for much of the fire-related costs through insurance recoveries. The FY25 Proposed Capital Budget and Program provides the Traffic Maint Fac Upg Relo (Project #C589000, p.45 of the capital budget book) with \$1,000,000 in FY25 Insurance Recoveries funding for costs associated with providing temporary facilities.

# DPW – Water and Wastewater Operating Fund

## Operating Budget Summary



Note: Chart data is provided in Appendix 2



Note: Chart data is provided in Appendix 2

## Proposed Budget Change

|                             |                      |
|-----------------------------|----------------------|
| <b>FY24 Budget</b>          | <b>\$122,031,800</b> |
| <b>FY25 Proposed Budget</b> | <b>\$126,145,500</b> |

| <b>Where It Goes – Highlighted Changes</b>   | <b>Change</b> |
|--|---------------|
| County pay package and benefits adjustments (cost of living and step/merit increases)              | 1,655,900     |
| Overtime increase due to vacant positions and pay increases  | 336,500       |
| Increased electricity costs for existing water and wastewater facilities                           | 1,449,400     |
| Increase due to consultant support to handle stormwater permits and temporary secretarial services | 310,000       |
| Rate increases for water and sewer service purchases from other jurisdictions                      | 453,100       |
| Chemicals for water and wastewater treatment systems   | 300,200       |
| Price increases for equipment repair parts for water and sewer systems                             | 577,200       |
| Replacing fewer vehicles (4 rather than 15) and heavy equipment                                    | (637,600)     |
| Decrease in County administrative overhead (pro rata) payment                                      | (1,390,000)   |

## Personnel Data

| <b>Full-Time Equivalent Positions as of April 10, 2024</b> |                    |                    |                    |                      |                     |
|--|--------------------|--------------------|--------------------|----------------------|---------------------|
| <b>Positions</b>   | <b>FY22 Actual</b> | <b>FY23 Actual</b> | <b>FY24 Actual</b> | <b>FY25 Proposed</b> | <b>FY24 v. FY25</b> |
| Water & Wstwtr Op Fund                                     | 380                | 380                | 383                | 383                  | 0                   |
| Filled   | 339                | 336                | 340                |                      |                     |
| Vacant   | 41                 | 44                 | 43                 |                      |                     |

- **Two reclassifications, both vacant positions, are proposed –**
  - One vacant Engineer II position to a Program Manager, which is reclassing the position two grades from a NR-17 to NR-19. This reclassified position will be responsible for program management associated with overseeing infrastructure asset control, data management, and preventative maintenance.
  - One vacant Utility Systems Technician II position to a Utility Systems Technician III, which is reclassing the position two grades from a LM-8 to LM-10. DPW advised that this change is consistent with the position’s duties, which includes quarterly stormwater inspections at County-owned wastewater treatment plants, pump out inspections of marinas, and compliance inspections.
- **Proposed Turnover Rate** – The FY25 Proposed Current Expense Budget assumes 4.05% turnover, which is below the 11.26% vacancy rate on April 10, 2024, and below the actual rate in previous years, including an estimated 8.08% in FY24, actual 6.66% in FY23 and actual 7.12% in FY22.

## Key Observations

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- 1. Service Rate Changes** – The FY25 Proposed Current Expense Budget reflects increases in metered water and wastewater charges. Bill 45-24 increases water usage charges from \$3.23 to \$3.45 per 1,000 gallons of water usage and wastewater charges from \$5.67 to \$6.06 for each 1,000 gallons of water usage on July 1, 2024. For the fiscal year beginning July 1, 2025, any increase in charges in an amount greater than 5% must be set by the County Council by ordinance. As noted below, rates are lower than previously anticipated for FY25 and FY26, but increase more than previously anticipated in FY27 through FY29.

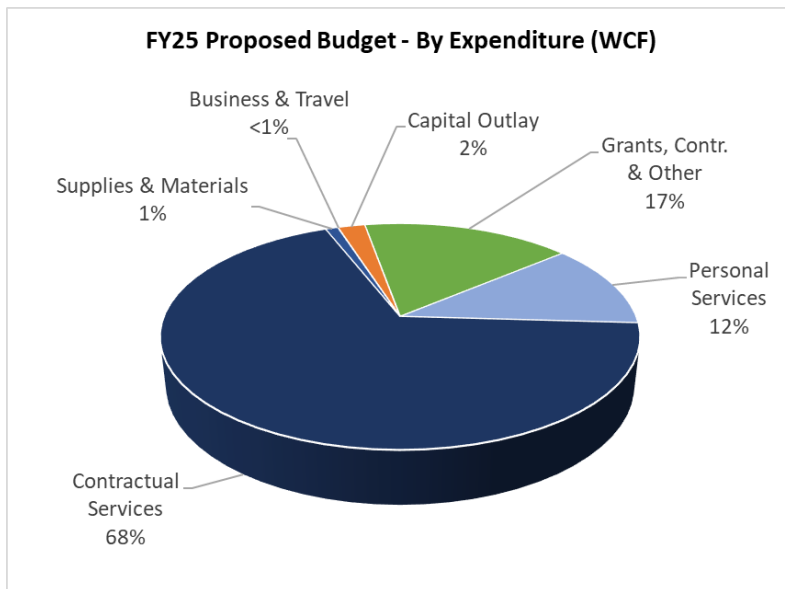
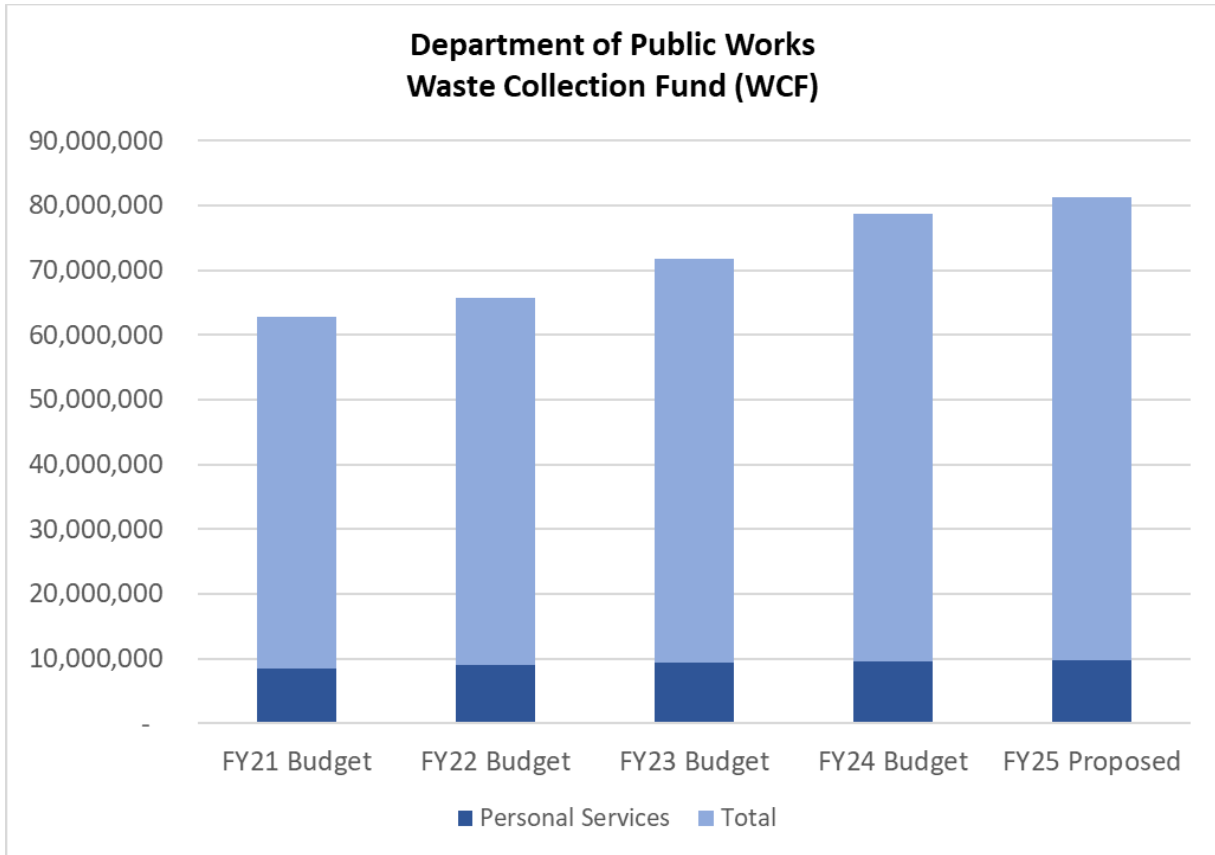
| <b>Water and Sewer</b> | <b>FY24</b> | <b>FY25</b> | <b>FY26</b> | <b>FY27</b> | <b>FY28</b> | <b>FY29</b> |
|------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| FY24 Budget            | 9.0%        | 9.0%        | 7.0%        | 1.0%        | 1.5%        | 1.0%        |
| FY25 Budget            | --          | 7.0%        | 5.0%        | 5.0%        | 4.0%        | 2.0%        |

We have performed an initial review of the Utility Operating Fund rate model data, assumptions, and FY25 calculation. The model adjusts rates to cover estimated costs and reflects a \$32,155,780 estimated ending FY25 fund balance, which is \$11,131,530 higher than the target balance of \$21,024,250 that represents two months of operating costs. However, in FY28, the estimated rate increase of 4% results in an estimated fund balance that exceeds the target balance by only \$193,575. To the extent Water and Wastewater operations spend less than budgeted, smaller rate increases may be possible and/or more PAYGO funding may be available for water and wastewater capital projects.

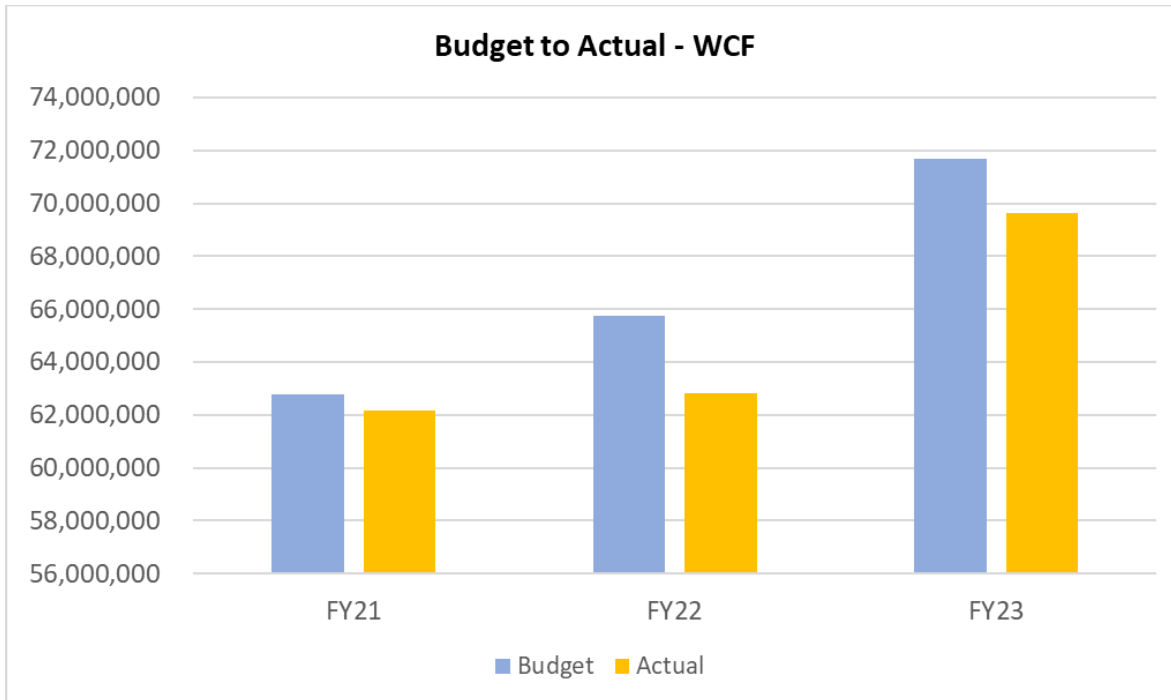
- 2. Unanticipated Needs Funding** – The FY25 Proposed Current Expense Budget includes \$515,000 for unanticipated operating costs. DPW advised this funding was used in the past for treatment plant chemicals, replacement parts, and contractor costs.

# DPW – Waste Collection Fund

## Operating Budget Summary



Note: Chart data is provided in Appendix 3



Note: Chart data is provided in Appendix 3

## Key Observations

- Service Rate Changes** – The FY25 Proposed Current Expense Budget reflects increases in solid waste services charges. Bill 46-24 increases solid waste services charges from \$380 to \$404 on July 1, 2024. For the fiscal year beginning July 1, 2025, any increase in these charges in an amount greater than 5% must be set by the County Council by ordinance. Bill 46-24 also increases charges at County-owned or operated landfills and solid waste disposal facilities from \$85 to \$100 per ton for solid waste delivered by a commercial business and in certain trucks and trailers. This bill also increases certain charges based on weight.

We have performed an initial review of the Solid Waste Fund rate model data, assumptions, and FY25 calculation. The model adjusts rates to cover estimated expenses and reflects a \$12,225,423 estimated ending FY25 fund balance, which exceeds the target fund balance of at least 10% of operating expenses. However, in FY27, the estimated rates increase of 12.9% results in an estimated ending fund balance that is approximately 10% of operating expenses, which is the target fund balance. The model includes adjustments in the curbside collection estimated expenditures to reflect expected trash collection procurements in FY26 and FY27. To the

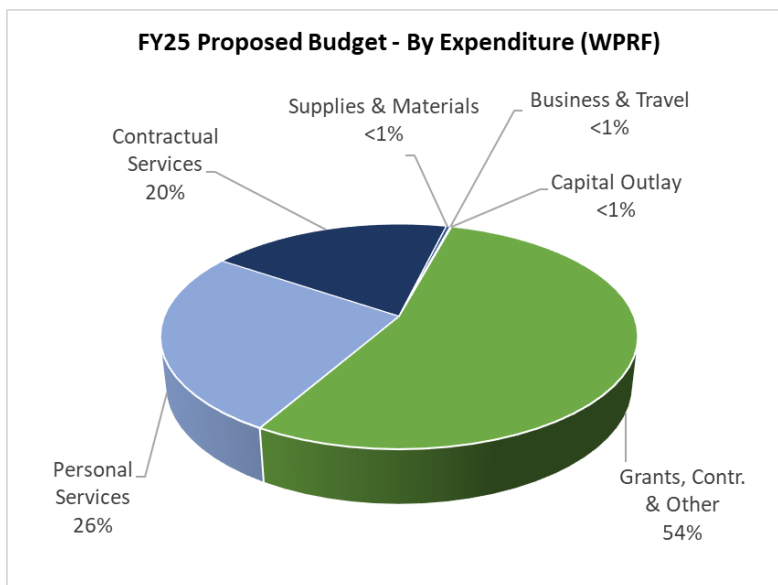
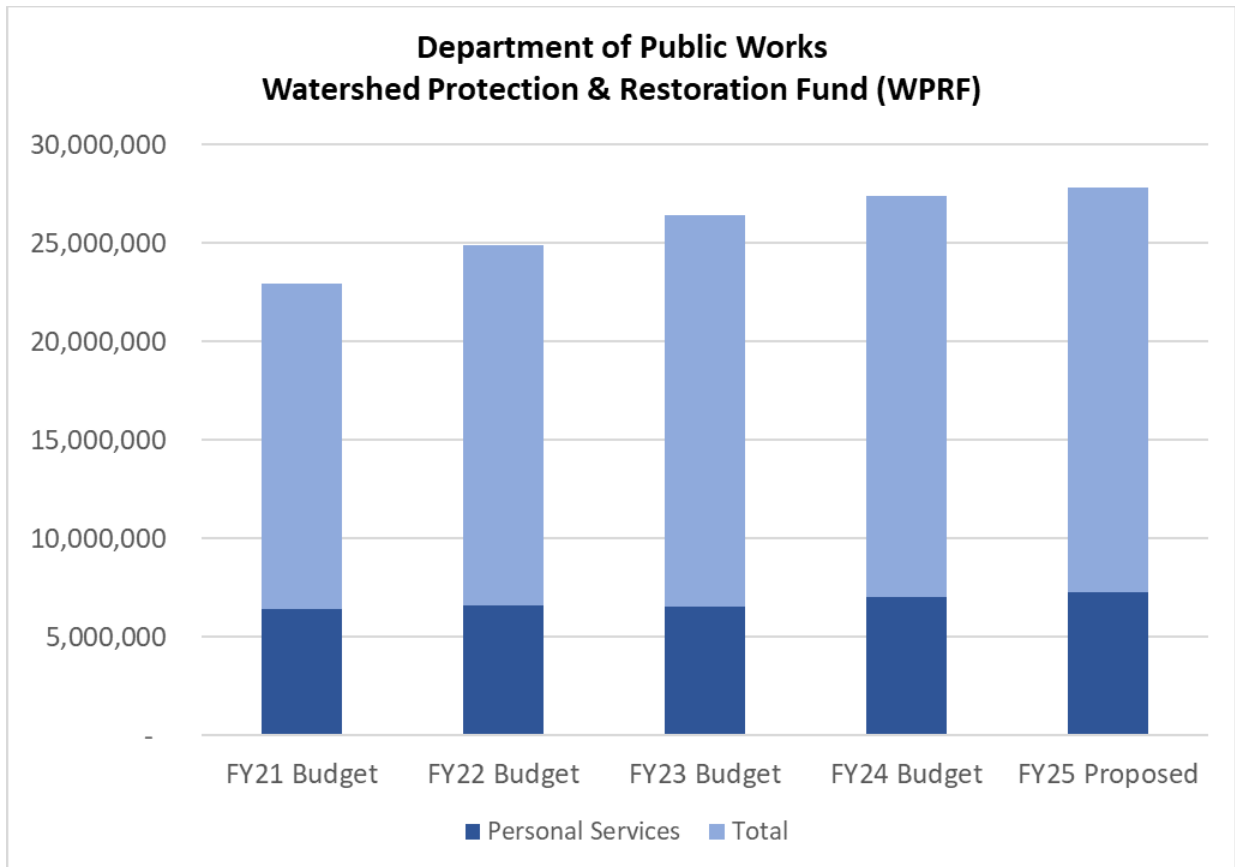
extent Waste Management operations spend less than budgeted, smaller rate increases and/or more PAYGO funding for water and wastewater capital projects may be possible.

- 2. Capital Facility Connection Charges** – The FY25 Proposed Current Expense Budget reflects increases in the capital facility recoupment charge, water system capital facility connection charge, and the wastewater system capital facility connection charge. Bill 53-24 increases the capital facility recoupment charge from \$3.81 to \$4.00, water system capital facility connection charge from \$10,286 to \$10,800, and the wastewater system capital facility connection charge from \$10,286 to \$10,800. This bill also authorizes the County Executive to increase these charges by up to 5% per year beginning July 1, 2025 without Council approval.
- 3. Unanticipated Needs Funding** – The FY25 Proposed Current Expense Budget includes \$300,000 for unanticipated operating costs.
- 4. Residential Trash Collection** – The FY25 Proposed Current Expense Budget provides a total of \$35,331,800 for residential trash contracts, a \$1,053,000 (3.1%) increase over the Approved FY24 Current Expense Budget. This increase reflects inflationary adjustments for all 14 existing trash collection contracts. DPW intends to re-bid 5 residential trash contracts in FY25 that will take effect in FY26. The outcome of these procurements will help determine future residential trash collection rates.
- 5. Federal Grant Funding Adjustment** – The FY25 Proposed Current Expense Budget reflects a \$2,536,800 decrease in federal grant funding from the FY24 Approved Current Expense Budget due to the US Environmental Protection Agency grant funding request for infrastructure improvements not being awarded.

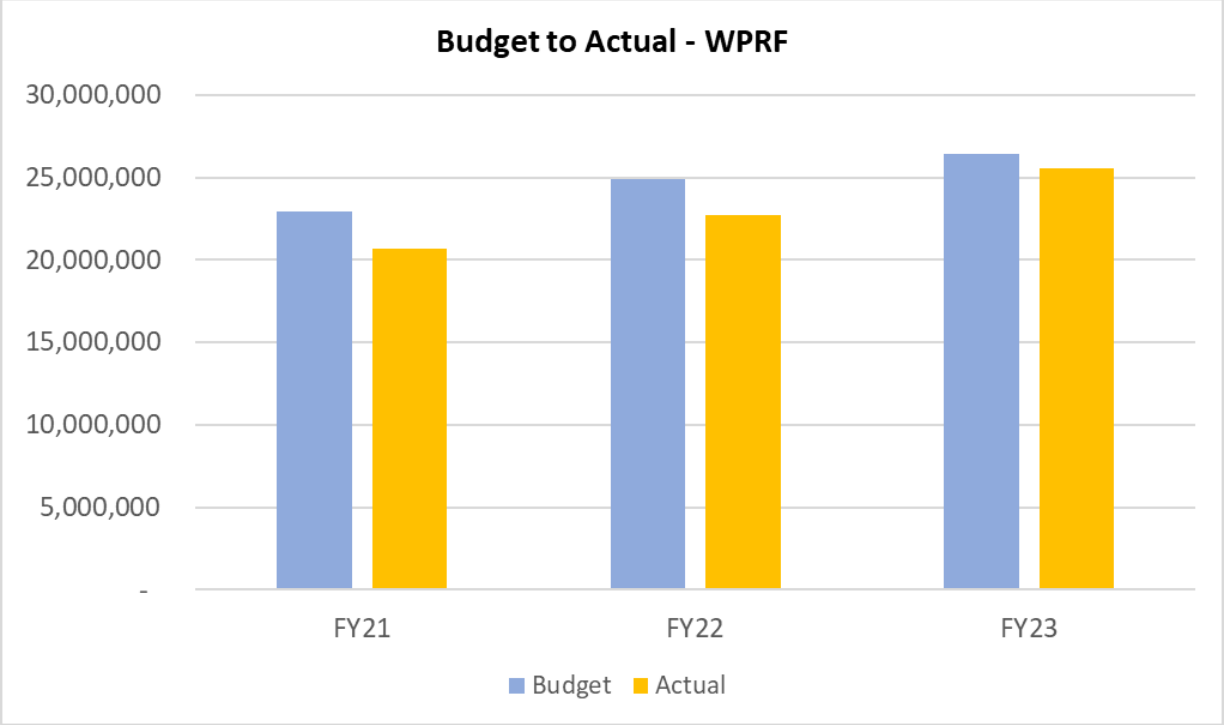


# DPW – Watershed Protection and Restoration Fund

## Operating Budget Summary



Note: Chart data is provided in Appendix 4



Note: Chart data is provided in Appendix 4

## Key Observations

1. **One reclassification of a vacant position is proposed** – One vacant Engineer III position (NR-18) is being reclassified to a Program Specialist II (NR-17). This Program Specialist II will support the Ecological Assessment and Evaluation Program.
2. **Service Rate Changes** – Stormwater remediation fees for residential units increase 5% to \$98.40 per unit. We have performed an initial review of the Watershed Protection and Restoration Fund Financials and Affordability rate model data, assumptions, and FY25 calculation. The model projects a 5% annual fee increase for the FY25-FY30 period. An ending fund balance of \$42,998,703 in FY25 is projected to decrease annually to \$7,417,679 in FY30.

## Appendix 1: Chart Data

### Department of Public Works – General Fund Budget

|                        | FY21 Budget          | FY22 Budget          | FY23 Budget          | FY24 Budget          | FY25 Proposed        |
|------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Personal Services      | 19,790,000           | \$ 20,883,100        | \$ 21,602,600        | \$ 23,758,000        | \$ 25,456,900        |
| Contractual Services   | 9,641,800            | \$ 9,593,800         | \$ 10,066,000        | \$ 9,809,700         | \$ 10,565,800        |
| Supplies & Materials   | 1,841,300            | \$ 1,818,900         | \$ 1,703,900         | \$ 1,715,900         | \$ 1,847,800         |
| Business & Travel      | 49,300               | \$ 48,300            | \$ 47,600            | \$ 46,800            | \$ 46,800            |
| Capital Outlay         | 603,800              | \$ 1,545,300         | \$ 1,738,300         | \$ 2,013,800         | \$ 2,201,100         |
| Grants, Contr. & Other | -                    | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| <b>Total</b>           | <b>\$ 31,926,200</b> | <b>\$ 33,889,400</b> | <b>\$ 35,158,400</b> | <b>\$ 37,344,200</b> | <b>\$ 40,118,400</b> |

### FY25 Proposed Budget - By Bureau - General Fund

| Name              | FY25 Proposed        |
|-------------------|----------------------|
| Director's Office | \$ 707,100           |
| Engineering       | \$ 7,797,800         |
| Highways          | \$ 31,613,500        |
| <b>Total</b>      | <b>\$ 40,118,400</b> |

### FY25 Proposed Budget - By Expenditure - General Fund

| Object               | FY25 Proposed        |
|----------------------|----------------------|
| Personal Services    | \$ 25,456,900        |
| Contractual Services | \$ 10,565,800        |
| Supplies & Materials | \$ 1,847,800         |
| Business & Travel    | \$ 46,800            |
| Capital Outlay       | \$ 2,201,100         |
| <b>Total</b>         | <b>\$ 40,118,400</b> |

### Adjusted Budget\* to Actual - General Fund

|               | FY21       | FY22          | FY23          |
|---------------|------------|---------------|---------------|
| <b>Budget</b> | 35,209,000 | \$ 38,047,100 | \$ 35,860,300 |
| <b>Actual</b> | 34,611,447 | \$ 37,660,806 | \$ 35,808,149 |

\*Adjusted Budget includes supplemental appropriations of \$3,282,800 for FY21, \$4,157,700 in FY22, and \$701,900 in FY23 and, therefore, does not match the Original Budget used in Chart 1.

## Appendix 2: Chart Data

### Department of Public Works Water & Wastewater (W&WW) Fund

|                        | FY21 Budget           | FY22 Budget           | FY23 Budget           | FY24 Budget           | FY25 Proposed         |
|------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Personal Services      | 39,935,600            | \$ 41,224,800         | \$ 42,592,900         | \$ 45,621,100         | \$ 48,675,600         |
| Contractual Services   | 36,630,400            | \$ 35,646,100         | \$ 37,399,100         | \$ 36,919,000         | \$ 39,095,700         |
| Supplies & Materials   | 9,543,300             | \$ 9,652,400          | \$ 10,676,900         | \$ 13,232,800         | \$ 14,268,800         |
| Business & Travel      | 262,000               | \$ 249,300            | \$ 260,400            | \$ 294,500            | \$ 294,500            |
| Capital Outlay         | 1,736,000             | \$ 1,437,400          | \$ 1,541,200          | \$ 2,717,800          | \$ 2,080,200          |
| Grants, Contr. & Other | 24,387,200            | \$ 21,171,000         | \$ 26,090,900         | \$ 23,246,600         | \$ 21,730,700         |
| <b>Total</b>           | <b>\$ 112,494,500</b> | <b>\$ 109,381,000</b> | <b>\$ 118,561,400</b> | <b>\$ 122,031,800</b> | <b>\$ 126,145,500</b> |

### FY25 Proposed Budget - By Bureau - W&WW Fund

| Name               | FY25 Proposed         |
|--------------------|-----------------------|
| Engineering        | \$ 3,579,700          |
| Utility Operations | \$ 101,030,000        |
| Utility Admin      | \$ 21,535,800         |
| <b>Total</b>       | <b>\$ 126,145,500</b> |

### FY25 Proposed Budget - By Expenditure - W&WW Fund

| Object                 | FY25 Proposed         |
|------------------------|-----------------------|
| Personal Services      | \$ 48,675,600         |
| Contractual Services   | \$ 39,095,700         |
| Supplies & Materials   | \$ 14,268,800         |
| Business & Travel      | \$ 294,500            |
| Capital Outlay         | \$ 2,080,200          |
| Grants, Contr. & Other | \$ 21,730,700         |
| <b>Total</b>           | <b>\$ 126,145,500</b> |

### Budget to Actual - W&WW Fund

|               | FY21        | FY22           | FY23           |
|---------------|-------------|----------------|----------------|
| <b>Budget</b> | 112,494,500 | \$ 109,381,000 | \$ 118,561,400 |
| <b>Actual</b> | 105,943,266 | \$ 101,005,742 | \$ 107,648,181 |

## Appendix 3: Chart Data

### Department of Public Works Waste Collection Fund (WCF)

|                        | FY21 Budget          | FY22 Budget          | FY23 Budget          | FY24 Budget          | FY25 Proposed        |
|------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Personal Services      | 8,449,300            | \$ 8,960,300         | \$ 9,334,400         | \$ 9,493,000         | \$ 9,781,900         |
| Contractual Services   | 39,789,300           | \$ 40,621,600        | \$ 46,249,500        | \$ 52,397,400        | \$ 55,399,900        |
| Supplies & Materials   | 767,800              | \$ 802,800           | \$ 880,100           | \$ 1,034,100         | \$ 805,100           |
| Business & Travel      | 23,900               | \$ 21,500            | \$ 21,900            | \$ 21,800            | \$ 21,600            |
| Capital Outlay         | 1,694,400            | \$ 1,655,800         | \$ 1,818,800         | \$ 2,020,800         | \$ 1,758,900         |
| Grants, Contr. & Other | 12,072,000           | \$ 13,667,300        | \$ 13,400,400        | \$ 13,756,700        | \$ 13,586,300        |
| <b>Total</b>           | <b>\$ 62,796,700</b> | <b>\$ 65,729,300</b> | <b>\$ 71,705,100</b> | <b>\$ 78,723,800</b> | <b>\$ 81,353,700</b> |

### FY25 Proposed Budget - By Expenditure - WCF

| Object                 | FY25 Proposed        |
|------------------------|----------------------|
| Personal Services      | \$ 9,781,900         |
| Contractual Services   | \$ 55,399,900        |
| Supplies & Materials   | \$ 805,100           |
| Business & Travel      | \$ 21,600            |
| Capital Outlay         | \$ 1,758,900         |
| Grants, Contr. & Other | \$ 13,586,300        |
| <b>Total</b>           | <b>\$ 81,353,700</b> |

### Budget to Actual - WCF

|               | FY21       | FY22          | FY23          |
|---------------|------------|---------------|---------------|
| <b>Budget</b> | 62,796,700 | \$ 65,729,300 | \$ 71,705,100 |
| <b>Actual</b> | 62,162,070 | \$ 62,825,421 | \$ 69,622,641 |

## Appendix 4: Chart Data

### Department of Public Works Watershed Protection & Restoration Fund (WPRF)

|                        | FY21 Budget          | FY22 Budget          | FY23 Budget          | FY24 Budget          | FY25 Proposed        |
|------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Personal Services      | 6,445,200            | \$ 6,600,100         | \$ 6,566,500         | \$ 7,020,800         | \$ 7,273,900         |
| Contractual Services   | 5,709,200            | \$ 5,745,600         | \$ 5,750,600         | \$ 5,707,100         | \$ 5,385,700         |
| Supplies & Materials   | 89,800               | \$ 87,800            | \$ 84,900            | \$ 95,900            | \$ 88,800            |
| Business & Travel      | 30,200               | \$ 30,200            | \$ 31,900            | \$ 28,300            | \$ 26,800            |
| Capital Outlay         | 15,400               | \$ 15,400            | \$ 5,700             | \$ 5,700             | \$ 5,700             |
| Grants, Contr. & Other | 10,652,600           | \$ 12,399,800        | \$ 13,979,700        | \$ 14,550,500        | \$ 15,067,900        |
| <b>Total</b>           | <b>\$ 22,942,400</b> | <b>\$ 24,878,900</b> | <b>\$ 26,419,300</b> | <b>\$ 27,408,300</b> | <b>\$ 27,848,800</b> |

### FY25 Proposed Budget - By Expenditure - WPRF

| Object                 | FY25 Proposed        |
|------------------------|----------------------|
| Personal Services      | \$ 7,273,900         |
| Contractual Services   | \$ 5,385,700         |
| Supplies & Materials   | \$ 88,800            |
| Business & Travel      | \$ 26,800            |
| Capital Outlay         | \$ 5,700             |
| Grants, Contr. & Other | \$ 15,067,900        |
| <b>Total</b>           | <b>\$ 27,848,800</b> |

### Budget to Actual - WPRF

|               | FY21       | FY22          | FY23          |
|---------------|------------|---------------|---------------|
| <b>Budget</b> | 22,942,400 | \$ 24,878,900 | \$ 26,419,300 |
| <b>Actual</b> | 20,713,078 | \$ 22,717,958 | \$ 25,560,611 |



Legislation Review

# Review of the Fiscal Year 2025 Proposed Current Expense Budget Department of Recreation and Parks

Report Date: May 20, 2024

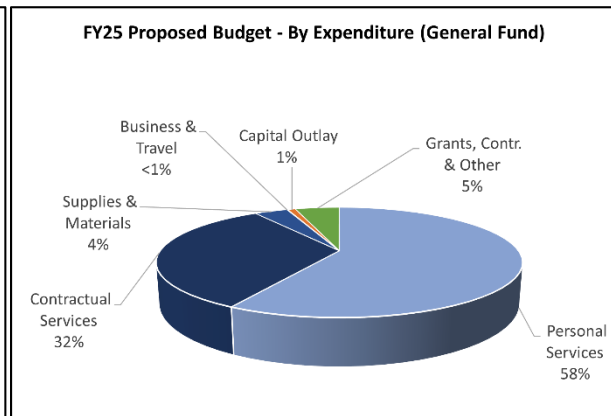
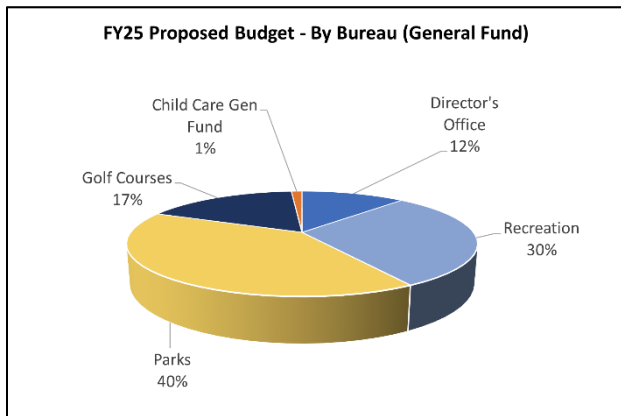
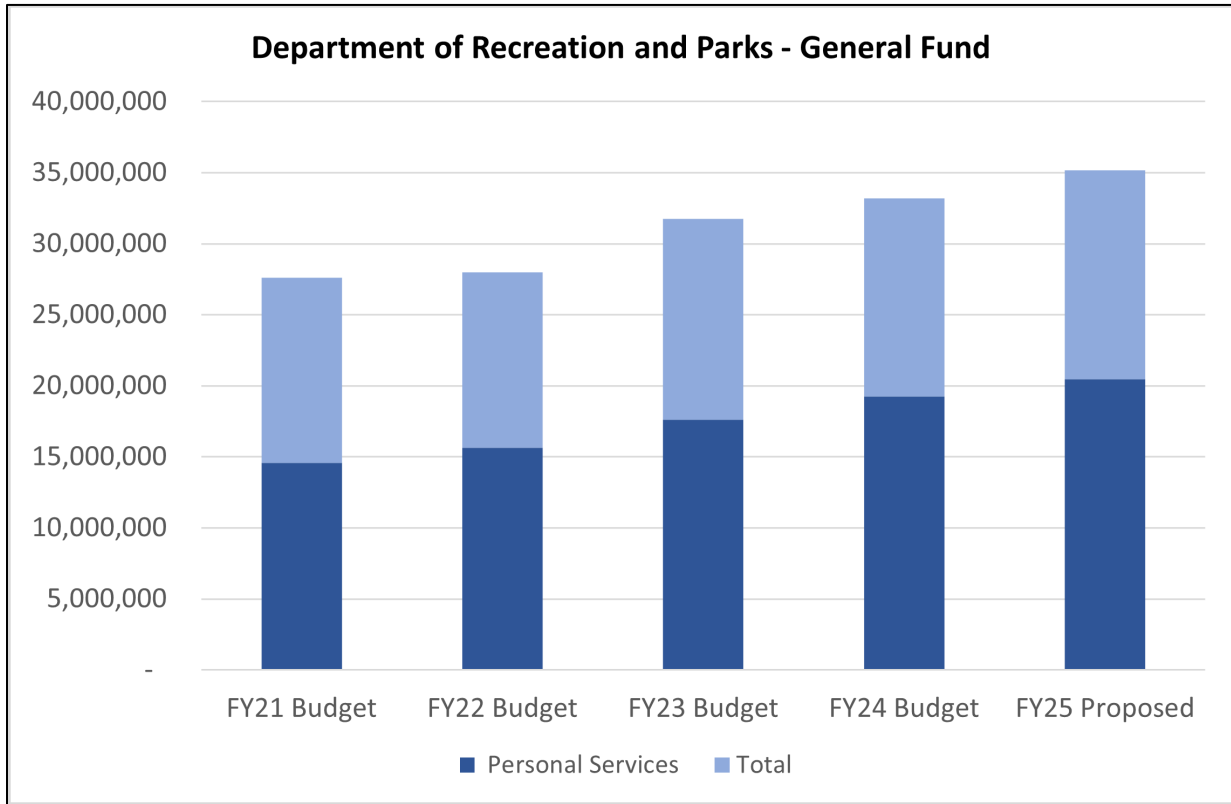
Hearing Date: May 21, 2024

|  |  |
|--|--|
| <b>Questions Sent to the Agency:</b>       | <b>May 3, 2024; May 13, 2024;<br/>May 14, 2024</b>               |
| <b>Responses Received from the Agency:</b> | <b>May 8, 2024; May 12, 2024;<br/>May 13, 2024; May 16, 2024</b> |

**This analysis considers all agency responses.**

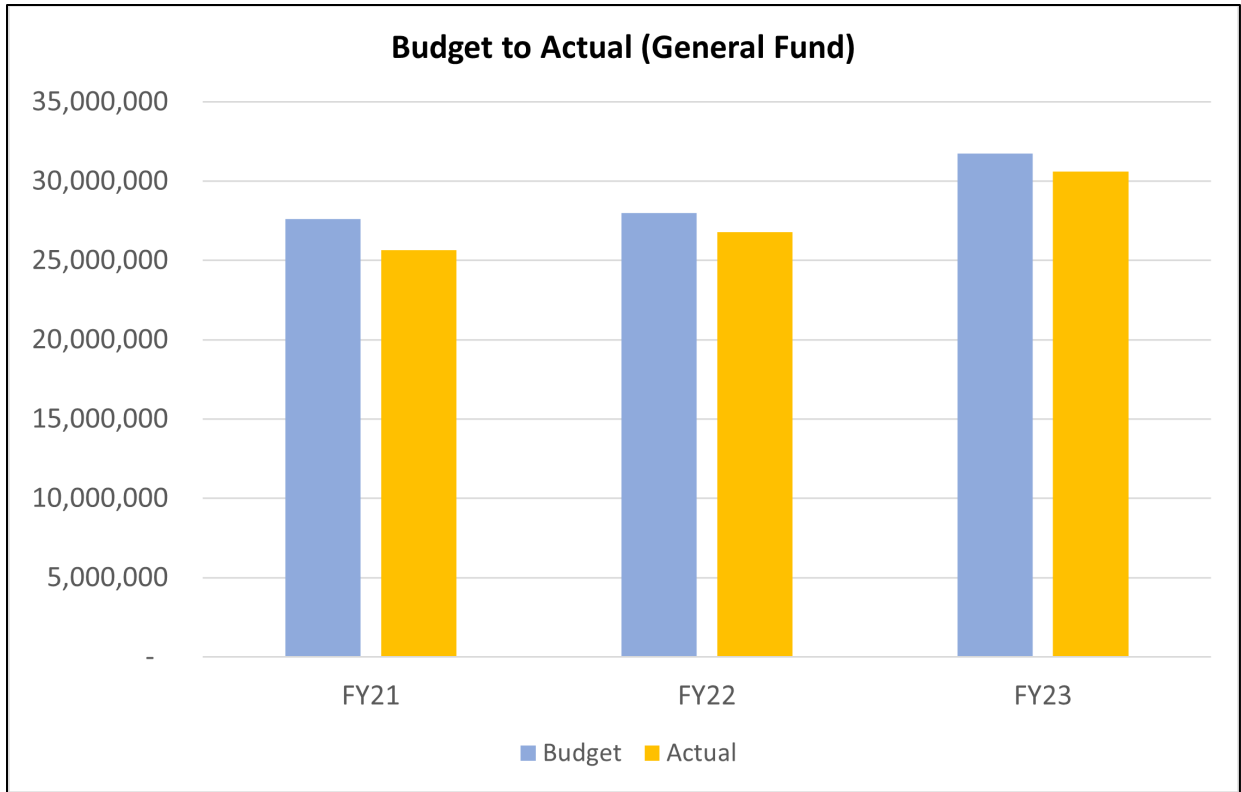
# Department of Receptions and Parks (DRP) – General Fund

## Operating Budget Summary



Note: Chart data is provided in Appendix 1





Note: Chart data is provided in Appendix 1

## Proposed Budget Changes

|                             |                     |
|-----------------------------|---------------------|
| <b>FY24 Original Budget</b> | <b>\$33,194,500</b> |
| <b>FY25 Proposed Budget</b> | <b>\$35,171,000</b> |

| <b>Where It Goes – Highlighted Changes</b>   | <b>Change</b> |
|--|---------------|
| Personnel - pay package (cost of living and step/merit increase) and new and transferred positions                 | 580,200       |
| Personnel – Turnover - Assumes more position vacancies   | (78,500)      |
| Child Enrichment Center contractual staff and operating costs moved from Child Care Fund to offer low-cost option  | 425,700       |
| Additional summer camps, programs, and transportation  | 98,000        |
| Jug Bay Wetlands Sanctuary Camp - contractual staffing and supplies  | 98,400        |
| Operational costs for Deep Run Recreation Center and Brooklyn Park Track and Field Complex                         | 83,400        |
| Fixed Costs for proposed Park Ranger position at Jug Bay Wetlands Sanctuary (New vehicle, computer, and furniture) | 57,500        |
| Golf course management consultant fees increase of 5%  | 290,000       |

## Personnel Data

| <b>Full-Time Equivalent Positions as of April 10, 2024</b> |                    |                    |                    |                      |                     |
|--|--------------------|--------------------|--------------------|----------------------|---------------------|
| <b>Positions</b>   | <b>FY22 Actual</b> | <b>FY23 Actual</b> | <b>FY24 Actual</b> | <b>FY25 Proposed</b> | <b>FY24 v. FY25</b> |
| General Fund   | 110                | 120                | 124                | 128                  | 4                   |
| Filled   | 104                | 107                | 117                |                      |                     |
| Vacant   | 6                  | 13                 | 7                  |                      |                     |

- **Four new full-time, general fund classified positions, are proposed –**
  - This reflects an increase of one new Assistant Facility Superintendent. All associated costs (salaries and benefits) for this new position are approximately \$87,500. This Assistant Facility Superintendent (NR-16) position will assist in the operation, maintenance, and improvement of Quiet Waters Park.
  - This reflects an increase of one new Management Assistant I. All associated costs (salaries and benefits) for this new position are approximately \$81,800. This Management Assistant I (NR-15) position will provide administrative support for Jug Bay Wetlands Sanctuary.
  - This reflects an increase of one new Park Ranger. All associated costs (salaries and benefits) for this new position are approximately \$133,020 (\$77,500 in salary and benefits and \$55,520 for a full-size 4x4 Pick-up vehicle). This Park Ranger (R-1) position will enforce park rules and regulations at the Jug Bay Wetlands Sanctuary.
  - One occupied Secretary III position to a Management Aide position, which is reclassifying the position from an OS-6 to NR-12 and transferring from the Child Care Fund to the General Fund. The Department of Recreation and Parks (DRP) advised that this position completes tasks for the entire department. All associated costs (salaries and benefits) for this position are approximately \$84,400.
- **Two reclassifications, one filled and one vacant position, are proposed –**
  - One filled Management Assistant II position to a Recreation Supervisor position, which is a lateral reclassification (NR-17).
  - One vacant Office Support Specialist position to a Recreation Specialist position, which is reclassifying the position from OS-6 to NR 13.
- **Proposed Turnover –** The FY25 Proposed Current Expense Budget assumes 1.1% (\$212,700) turnover, which is an increase from the 0.7% (\$134,200) turnover amount budgeted in FY24. The Administration advised that this increase is due to certain new positions not being filled until January 2025. Actual turnover for FY23 was 6.5% and for FY22 was 8.8%. We are still in the process of evaluating this proposed budget to determine if we will recommend a reduction.

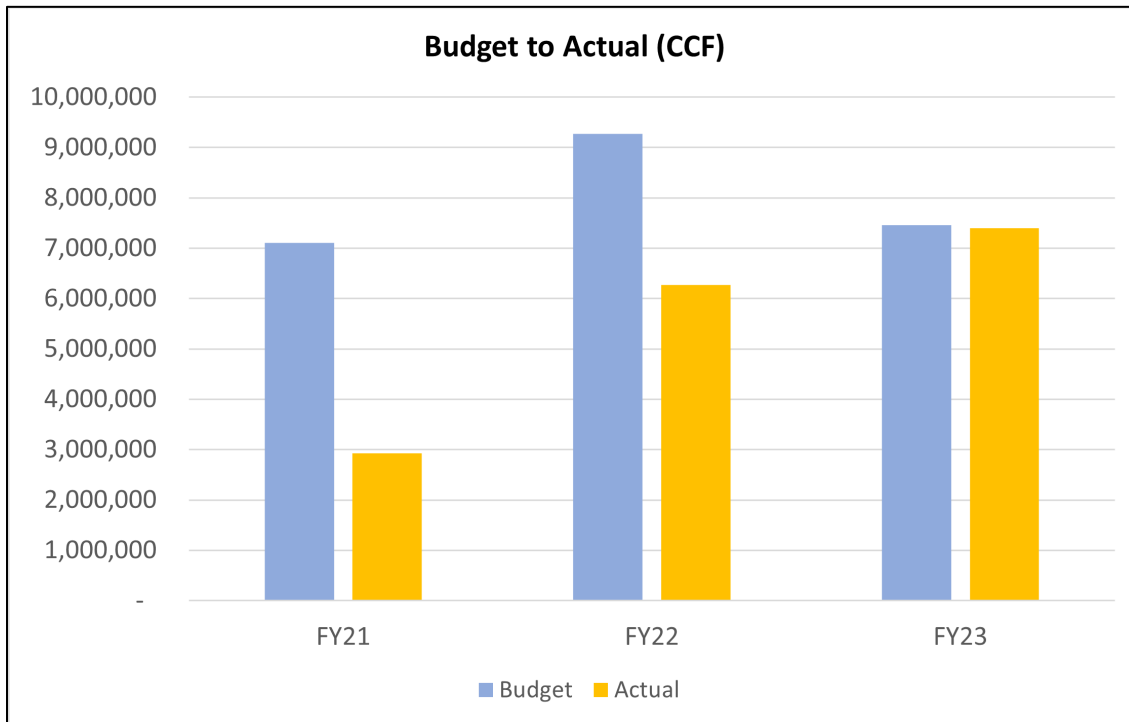
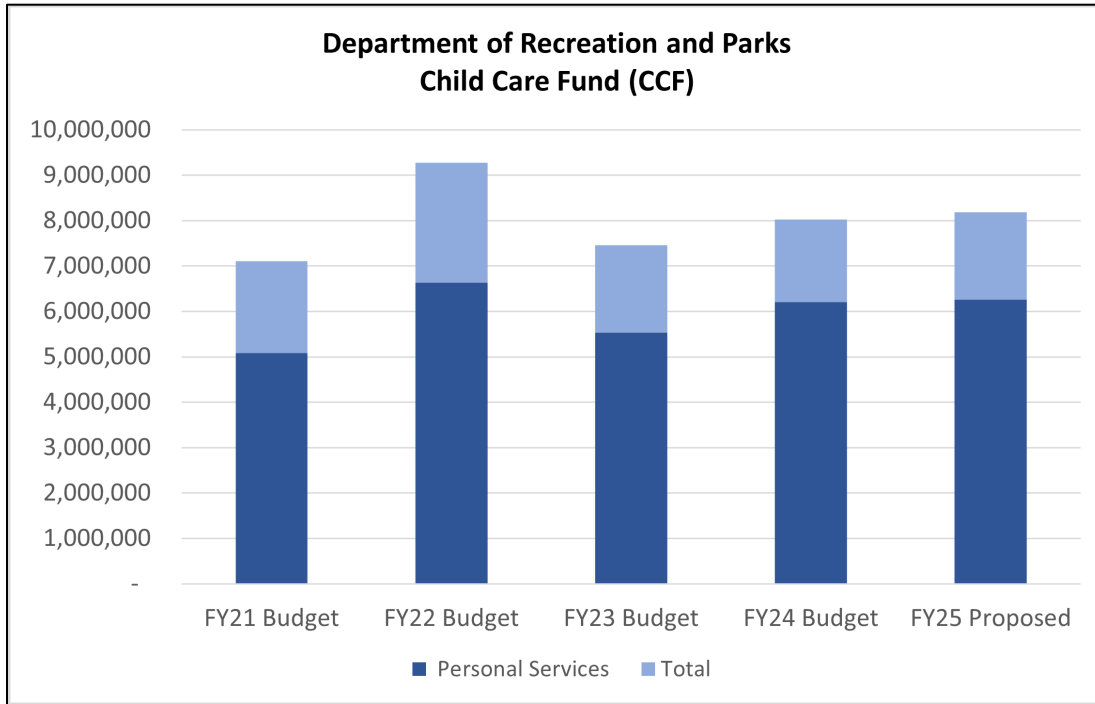
## Key Observations

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1. **Child Enrichment Centers moving to the General Fund** – The FY25 Proposed Current Expense Budget funds the Child Enrichment Center Program with general funds rather than the Child Care Fund, which is funded by fees for services. A total of \$425,700 is provided in FY25, which includes \$381,300 for contractual staffing and \$37,200 for supplies and materials. Child Enrichment Centers provide child care in designated low-income areas. Child Enrichment Centers operate at Carrie Weedon Learning Center and the following elementary schools: Bell Grove, Brooklyn Park, Glen Burnie Park, Maryland City, Park, North Glen, and Woodside.
2. **Golf course management agreement cost increase** – In December 2023, DRP approved a one-year extension of its golf course management agreement for services at the County’s Eisenhower and Compass Point golf courses. The FY25 Proposed Current Expense Budget provides \$6,059,600 for this contract, a \$290,000 (5%) increase. DRP advised this cost increase is associated with contractual wage increases, salary increases, facility insurance, and professional golf instruction costs (offset by revenue collected).

## Department of Recreation and Parks – Child Care Fund (CCF)

### Operating Budget Summary



Note: Chart data available in Appendix 2

# Operating Budget Summary

## Personnel Data

| <b>Full-Time Equivalent Positions as of April 10, 2024</b> |                    |                    |                    |                      |                     |
|--|--------------------|--------------------|--------------------|----------------------|---------------------|
| <b>Positions</b>   | <b>FY22 Actual</b> | <b>FY23 Actual</b> | <b>FY24 Actual</b> | <b>FY25 Proposed</b> | <b>FY24 v. FY25</b> |
| Child Care Fund  | 25                 | 25                 | 25                 | 24                   | -1                  |
| Filled   | 22                 | 23                 | 25                 |                      |                     |
| Vacant   | 3                  | 2                  | 0                  |                      |                     |

- **Two reclassifications, both filled positions, are proposed –**
  - Two Office Support Assistant II positions to Office Support Specialist positions, which is reclassifying the positions from an OS-4 to OS-6. DRP advised that these position duties were studied by the Office of Personnel and it was determined that the nature of the work and duties were best suited as Office Support Specialist classifications.

## Key Observations

1. **New programs in FY25 –** The FY25 Proposed Current Expense Budget supports staffing and education supplies for new programs at the Deep Run Community Center, Two Rivers Elementary, and a pre-K extension pilot.
2. **FY25 general fund contribution offsets child care program costs –** The FY25 Proposed Current Expense Budget provides \$425,700 in general funds for the Child Care Program, which has historically been supported by the fees paid by participants from out of the Child Care Fund.
3. **The Child Care Fund balance decreases –** The Child Care Fund had a fund balance of \$1,191,029 at the end of FY22 and \$516,165 at the end of FY23. The FY25 Proposed Current Expense Budget assumes the fund balance will decrease to \$325,500 by the end of FY24.

## Appendix 1: Chart Data

### Department of Recreation and Parks Budget – General Fund

|                        | FY21 Budget          | FY22 Budget          | FY23 Budget          | FY24 Budget          | FY25 Proposed        |
|------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Personal Services      | 14,581,400           | \$ 15,649,000        | \$ 17,631,600        | \$ 19,264,100        | \$ 20,460,500        |
| Contractual Services   | 8,471,100            | \$ 9,420,000         | \$ 10,773,300        | \$ 10,734,000        | \$ 11,447,800        |
| Supplies & Materials   | 1,121,300            | \$ 1,121,100         | \$ 1,198,400         | \$ 1,167,600         | \$ 1,258,600         |
| Business & Travel      | 34,400               | \$ 25,500            | \$ 25,000            | \$ 30,700            | \$ 32,700            |
| Capital Outlay         | 300,000              | \$ 253,500           | \$ 478,500           | \$ 324,100           | \$ 294,400           |
| Debt Service           | 1,675,500            | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| Grants, Contr. & Other | 1,417,000            | \$ 1,524,000         | \$ 1,629,000         | \$ 1,674,000         | \$ 1,677,000         |
| <b>Total</b>           | <b>\$ 27,600,700</b> | <b>\$ 27,993,100</b> | <b>\$ 31,735,800</b> | <b>\$ 33,194,500</b> | <b>\$ 35,171,000</b> |

### FY25 Proposed Budget - By Bureau - General Fund

| Name                | FY25 Proposed        |
|---------------------|----------------------|
| Director's Office   | \$ 4,126,300         |
| Recreation          | \$ 10,433,900        |
| Parks               | \$ 14,124,100        |
| Golf Courses        | \$ 6,061,000         |
| Child Care Gen Fund | \$ 425,700           |
| <b>Total</b>        | <b>\$ 35,171,000</b> |

### FY25 Proposed Budget - By Expenditure - General Fund

| Object                 | FY25 Proposed        |
|------------------------|----------------------|
| Personal Services      | \$ 20,460,500        |
| Contractual Services   | \$ 11,447,800        |
| Supplies & Materials   | \$ 1,258,600         |
| Business & Travel      | \$ 32,700            |
| Capital Outlay         | \$ 294,400           |
| Grants, Contr. & Other | \$ 1,677,000         |
| <b>Total</b>           | <b>\$ 35,171,000</b> |

### FY21-FY23 Budget to Actual - General Fund

|               | FY21       | FY22          | FY23          |
|---------------|------------|---------------|---------------|
| <b>Budget</b> | 27,600,700 | \$ 27,993,100 | \$ 31,735,800 |
| <b>Actual</b> | 25,636,873 | \$ 26,796,033 | \$ 30,615,563 |

## Appendix 2: Chart Data

### Child Care Fund (CCF)

|                        | FY21 Budget         | FY22 Budget         | FY23 Budget         | FY24 Budget         | FY25 Proposed       |
|------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Personal Services      | 5,091,300           | \$ 6,634,600        | \$ 5,538,900        | \$ 6,208,300        | \$ 6,265,700        |
| Contractual Services   | 373,500             | \$ 379,300          | \$ 258,100          | \$ 255,100          | \$ 264,900          |
| Supplies & Materials   | 532,700             | \$ 631,400          | \$ 451,400          | \$ 442,800          | \$ 464,600          |
| Business & Travel      | 42,500              | \$ 42,800           | \$ 41,000           | \$ 41,000           | \$ 36,000           |
| Capital Outlay         | 13,400              | \$ 28,400           | \$ 6,000            | \$ 6,000            | \$ 9,000            |
| Grants, Contr. & Other | 1,054,200           | \$ 1,556,000        | \$ 1,166,100        | \$ 1,071,700        | \$ 1,150,500        |
| <b>Total</b>           | <b>\$ 7,107,600</b> | <b>\$ 9,272,500</b> | <b>\$ 7,461,500</b> | <b>\$ 8,024,900</b> | <b>\$ 8,190,700</b> |

### FY21-FY23 Budget to Actual (CCF)

|               | FY21      | FY22         | FY23         |
|---------------|-----------|--------------|--------------|
| <b>Budget</b> | 7,107,600 | \$ 9,272,500 | \$ 7,461,500 |
| <b>Actual</b> | 2,930,360 | \$ 6,268,860 | \$ 7,402,180 |



Legislation Review

# Review of the Fiscal Year 2025 Proposed Current Expense Budget Fire Department

Report Date: May 15, 2024  
Hearing Date: May 16, 2024

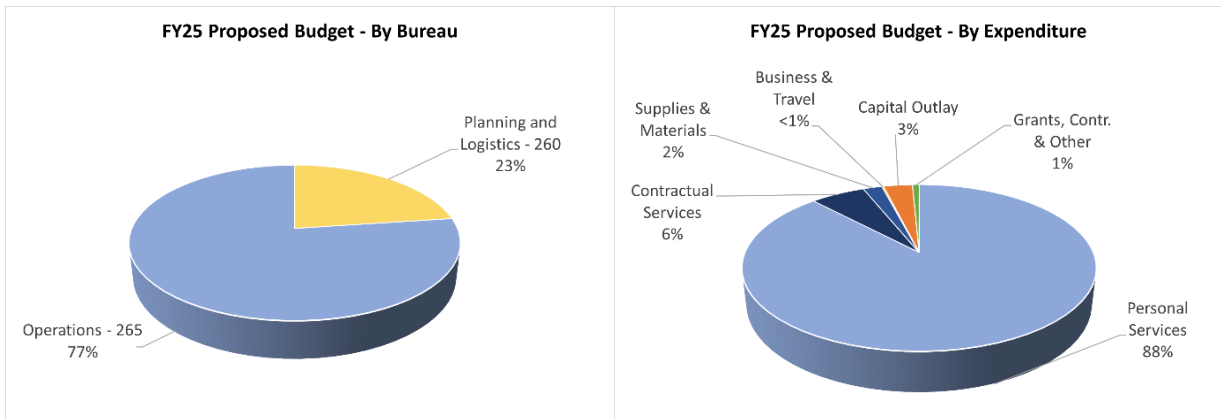
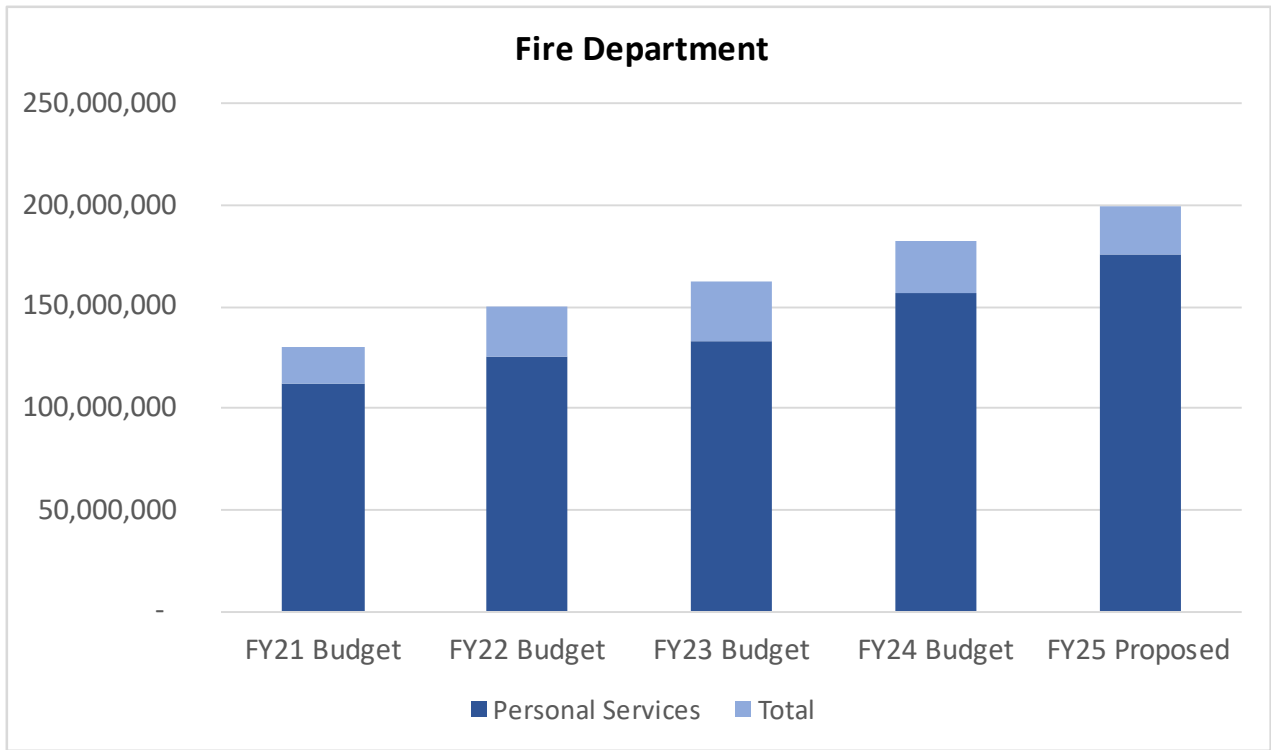
|  |  |
|--|--|
| <b>Questions Sent to the Agency:</b>       | <b>May 2, 2024; May 7, 2024; May 10, 2024</b>  |
| <b>Responses Received from the Agency:</b> | <b>May 7, 2024; May 10, 2024; May 14, 2024</b> |

**This analysis considers all agency responses.**

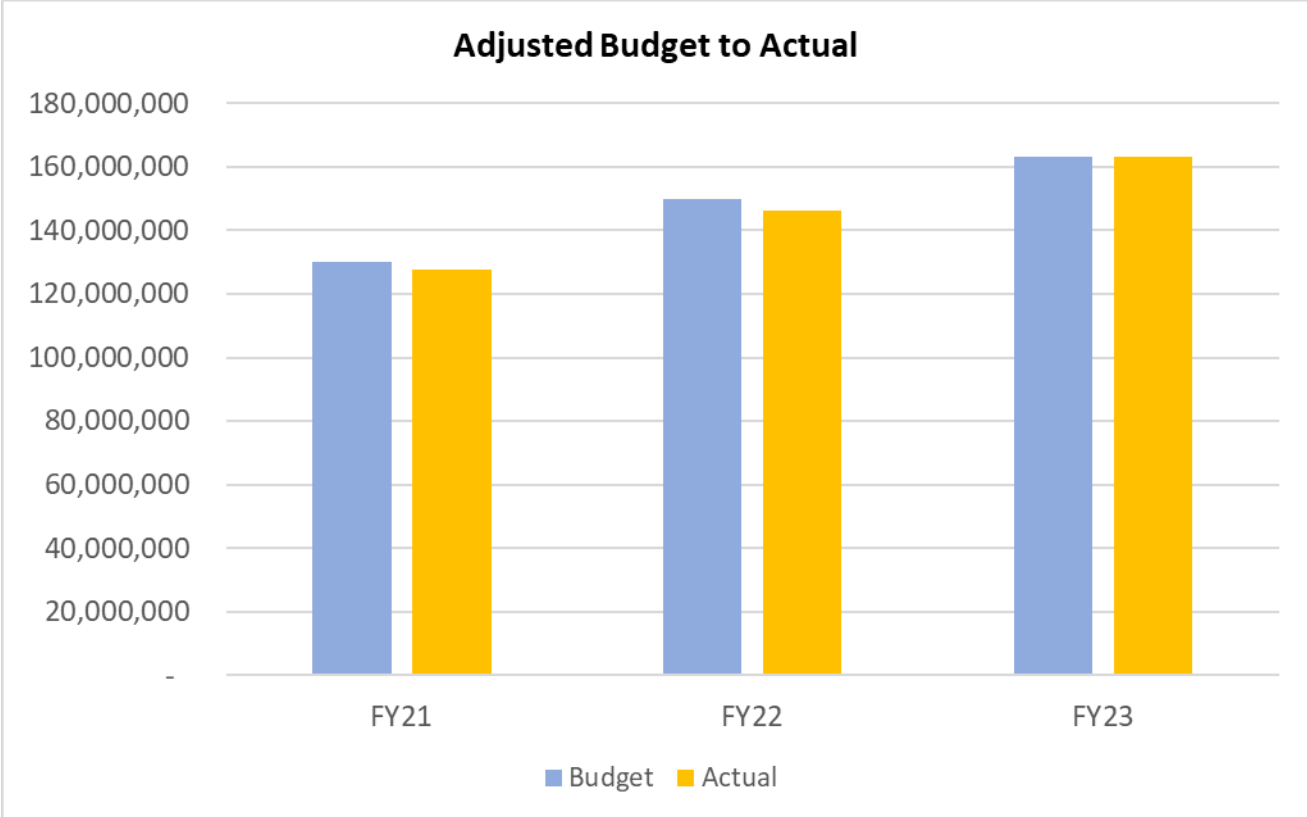


# Fire Department

## Operating Budget Summary



Note: Chart data provided in the Appendix



Note: Chart data provided in the Appendix. Adjusted Budget includes a supplemental appropriation of \$710,500 for FY23 and, therefore, does not match the Original Budget used in Chart 1.

### Proposed Budget Change

|                             |                      |
|-----------------------------|----------------------|
| <b>FY24 Budget</b>          | <b>\$181,918,300</b> |
| <b>FY25 Proposed Budget</b> | <b>\$199,700,000</b> |

| <b>Where It Goes – Highlighted Changes</b>   | <b>Change</b> |
|--|---------------|
| Personnel – pay package (union and non-represented)  | 5,678,000     |
| Personnel – special pay (leave payout and union negotiated pay)  | 762,000       |
| Personnel - overtime   | 5,319,600     |
| Supplies/Materials – Removal of FY24 one-time uniform and safety equipment costs due to no new positions and less recruits in FY25 | (462,500)     |
| Capital Outlay – removal of FY24 one-time equipment costs (e.g., defibrillators for tactical team)                                 | (508,700)     |
| Pay to Volunteer Companies (EMS Transport Billing)   | 269,800       |

## Personnel Data

| <b>Full-Time Equivalent Positions as of April 10, 2024</b> |                    |                    |                    |                      |                     |
|--|--------------------|--------------------|--------------------|----------------------|---------------------|
| <b>Positions</b>   | <b>FY22 Actual</b> | <b>FY23 Actual</b> | <b>FY24 Actual</b> | <b>FY25 Proposed</b> | <b>FY24 v. FY25</b> |
| General Fund *   | 941                | 1029               | 1044               | 1017                 | (27)                |
| Filled   | 924                | 1010               | 1019               |                      |                     |
| Vacant   | 17                 | 19                 | 25                 |                      |                     |

\* In accordance with the Personnel Article, Section 1-110(b)(4) of the County Code, the number and classification of positions may change during the fiscal year without approval of the County Council if a change results from creating positions to staff a recruit training academy class for the Fire Department. Therefore, the counts above include the positions added to account for the recruiting classes for the given fiscal years. For instance, the FY24 approved position count totaled 1,017; however, as of pay period ending April 10, 2024 there were 1,044 paid positions, an increase of 27 positions due the recruit training academy class.

- **Eleven reclassifications, all filled positions, are proposed.** The following reclassifications proposed are to implement the changes made during negotiations included in the union agreements.
  - Three Fire Fighter II positions to three Fire Lieutenant positions, which is reclassifying these positions from a F1 to a F5 grade classification.
  - Three Fire Fighter III positions to three Fire Lieutenant positions, which is reclassifying these positions from a F2 to a F5 grade classification.
  - Four FF Emergency Medical Tech – PM positions to four Fire Lieutenant/Emergency Medical Technician – PM positions, which is reclassifying these positions from a F4P to a F5P grade classification.
  - One Fire Lieutenant position to a Fire Captain position, which is reclassifying this position from a F5 to a F6 grade classification.
- **Funding for special pays increased by \$762,000 (37%).** This reflects new negotiated allowances within the union agreements (e.g., special qualification pay, investigation pay, training allowances, and bonus pay) and anticipated leave payouts.

## Key Observations

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1. **Personal Services** – The FY25 Proposed Current Expense Budget overtime has increased approximately \$5,300,000 (46%) from the FY24 approved budget (from \$11,496,000 to \$16,815,600). According to the Fire Department (Fire), the Administration assessed a more realistic and accurate understanding of overtime expenditures.
2. **Recruiting Class** – The current recruiting class is for 70 new recruits. This recruit class is anticipated to start at the training academy in February 2025 with the first group of recruits (with medical certification) starting between July and August 2025 with the remainder of the recruits starting in October 2025 (after completing medical certification).
3. **Contractual Services (Non-County Services)** – The FY25 funding request of \$130,000 (a \$30,000 increase from the FY24 approved budget of \$100,000) includes costs for ladder testing (\$10,000) and vessel maintenance (\$120,000). The increase is attributed to the addition of three vessels to Fire’s operations, consisting of one dive boat (in service in April 2024) and two fire boats (anticipated to be in service in July 2024 and October 2024).
4. **Capital Outlay** – The FY25 funding request of \$7,467,800 includes \$4,980,000 for the purchase of four fire engines (\$4,900,000) and for vessel site improvements (\$80,000) for the new vessel purchases detailed above (in addition to the fire engine detailed below to be purchased with video lottery terminal impact aid funds (VLT)).
5. **VLT** – The Local Development Council recommends in the FY25 Proposed Current Expense Budget funding Fire \$3,598,000 in VLT funds consisting of \$2,398,000 to support fire and EMS operations and \$1,200,000 toward purchasing a 1,000-gallon fire engine to replace Engine 211 at Fire Company 21 (Harmans/Dorsey Fire Station).

According to Fire, fire engine vendors are currently taking two to three years to deliver apparatus subsequent to ordering and paying the full cost upfront helps keep the cost of replacing fire engines at current prices while being added to the production list. Fire advised that support for operations at Fire Company 21 is projected to decrease \$500,000 annually and once this funding is no longer available, the plan is to use general funds for the needed funding.

## Appendix: Chart Data

### Fire Department Budget

|                        | FY21 Budget           | FY22 Budget           | FY23 Budget           | FY24 Budget           | FY25 Proposed         |
|------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Personal Services      | 112,141,100           | \$ 125,597,900        | \$ 133,013,400        | \$ 157,148,400        | \$ 175,576,900        |
| Contractual Services   | 10,482,700            | \$ 10,801,200         | \$ 10,442,600         | \$ 11,810,600         | \$ 11,882,800         |
| Supplies & Materials   | 3,118,700             | \$ 3,501,000          | \$ 4,137,100          | \$ 4,575,500          | \$ 4,113,000          |
| Business & Travel      | 224,800               | \$ 263,500            | \$ 320,100            | \$ 422,400            | \$ 398,300            |
| Capital Outlay         | 2,741,300             | \$ 6,598,300          | \$ 9,726,200          | \$ 6,776,400          | \$ 6,267,700          |
| Grants, Contr. & Other | 1,249,800             | \$ 3,304,700          | \$ 4,821,400          | \$ 1,185,000          | \$ 1,461,300          |
| <b>Total</b>           | <b>\$ 129,958,400</b> | <b>\$ 150,066,600</b> | <b>\$ 162,460,800</b> | <b>\$ 181,918,300</b> | <b>\$ 199,700,000</b> |

### FY25 Proposed Budget - By Bureau

| Name                         | FY25 Proposed      |
|------------------------------|--------------------|
| Planning and Logistics - 260 | \$ 45,616,900      |
| Operations - 265             | \$ 154,083,100     |
| <b>Total</b>                 | <b>199,700,000</b> |

### FY25 Proposed Budget - By Expenditure

| Object                 | FY25 Proposed        |
|------------------------|----------------------|
| Personal Services      | \$ 175,576,900       |
| Contractual Services   | \$ 11,882,800        |
| Supplies & Materials   | \$ 4,113,000         |
| Business & Travel      | \$ 398,300           |
| Capital Outlay         | \$ 6,267,700         |
| Grants, Contr. & Other | \$ 1,461,300         |
| <b>Total</b>           | <b>\$199,700,000</b> |

### FY21-FY23 Adjusted Budget\* to Actual

|               | FY21        | FY22           | FY23           |
|---------------|-------------|----------------|----------------|
| <b>Budget</b> | 129,958,400 | \$ 150,066,600 | \$ 163,171,300 |
| <b>Actual</b> | 127,563,375 | \$ 146,272,548 | \$ 163,030,780 |

\*Adjusted Budget includes supplemental appropriations of \$710,500 for FY23 and, therefore, does not match the Original Budget used in Chart 1.



Legislation Review

# Review of the Fiscal Year 2025 Proposed Current Expense Budget Office of Central Services

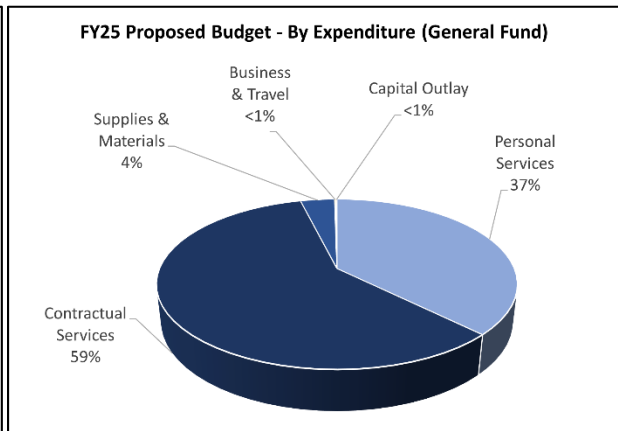
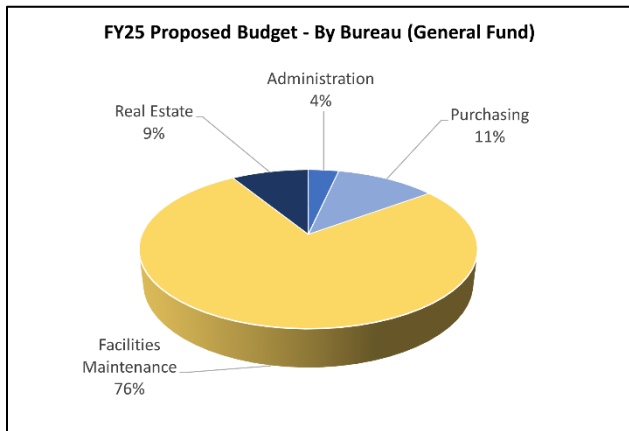
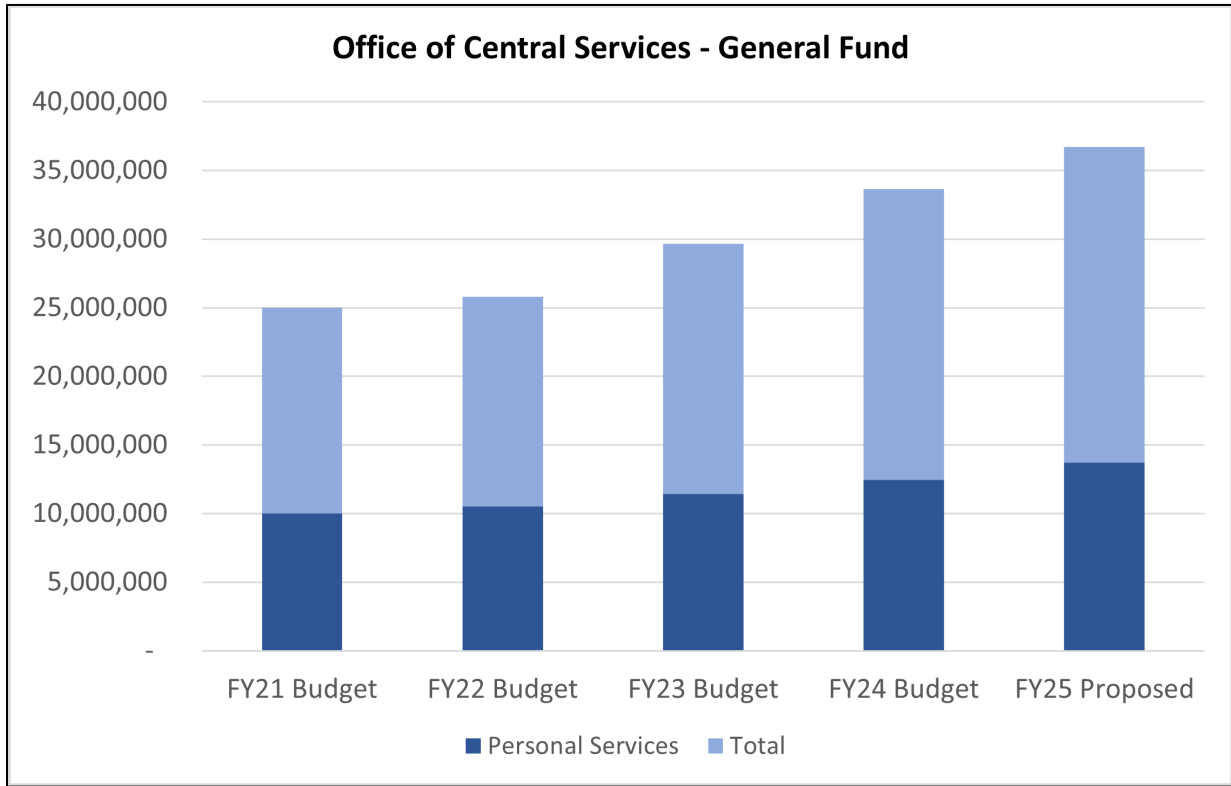
Report Date: May 20, 2024  
Hearing Date: May 21, 2024

|  |   |
|--|---|
| <b>Questions Sent to the Agency:</b>       | <b>May 3, 2024; May 5, 2024; May 13, 2024; May 15, 2024</b>               |
| <b>Responses Received from the Agency:</b> | <b>May 8, 2024; May 8, 2024; May 13, 2024; May 14, 2024; May 15, 2024</b> |

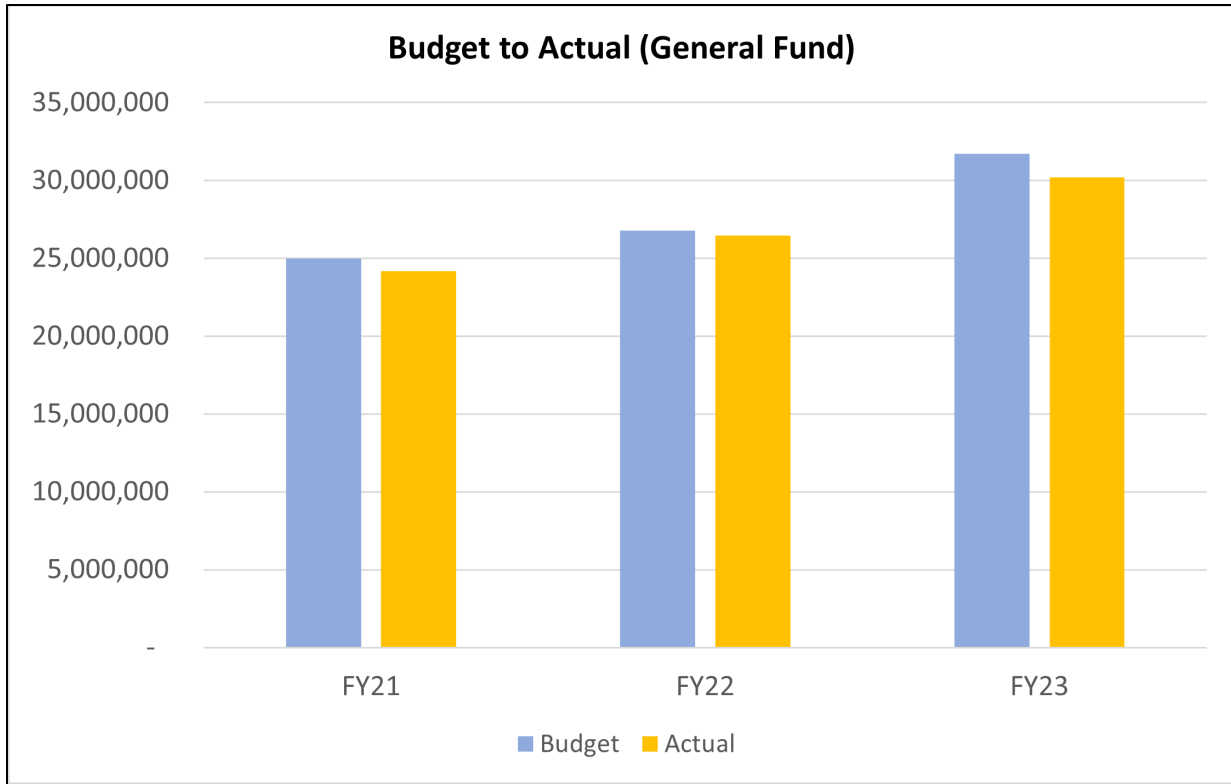
**This analysis considers all agency responses.**

# Office of Central Services – General Fund

## Operating Budget Summary



Note: Chart data provided in Appendix 1



Note: Chart data provided in Appendix 1. Adjusted Budget includes supplemental appropriations of \$1,011,300 for FY22 and \$2,050,000 for FY23 and, therefore, does not match the Original Budget used in Chart 1.

## Proposed Budget Change

|                             |                     |
|-----------------------------|---------------------|
| <b>FY24 Budget</b>          | <b>\$33,663,200</b> |
| <b>FY25 Proposed Budget</b> | <b>\$36,722,500</b> |

| <b>Where It Goes – Highlighted Changes</b>   | <b>Change</b> |
|--|---------------|
| Personnel – pay package (cost of living and step/merit increase)   | 492,300       |
| Personnel – Turnover – assumes fewer position vacancies  | 441,300       |
| Crownsville Hospital Memorial Park Water and Wastewater Treatment Plant – managed by Department of Public Works          | 565,200       |
| Insurance – due to supply chain disruptions, aging infrastructure, building material price increases, and severe weather | 297,200       |
| Custodial services associated with a new vendor contract   | 146,900       |
| Grounds maintenance contractor increase to reflect additional areas and repair of a bioretention pond                    | 615,100       |
| Office refurbishment projects to address HVAC improvements, overhead door repairs, and other remediation work            | 163,700       |
| Removal of one-time funding for automotive equipment   | (173,200)     |



## Personnel Data

---

| <b>Full-Time Equivalent Positions as of April 10, 2024</b> |                    |                    |                    |                      |                     |
|--|--------------------|--------------------|--------------------|----------------------|---------------------|
| <b>Positions</b>   | <b>FY22 Actual</b> | <b>FY23 Actual</b> | <b>FY24 Actual</b> | <b>FY25 Proposed</b> | <b>FY24 v. FY25</b> |
| General Fund   | 120                | 127                | 125                | 125                  | 0                   |
| Filled   | 101                | 114                | 114                |                      |                     |
| Vacant   | 19                 | 13                 | 11                 |                      |                     |

- One reclassification is proposed** – One filled Management Assistant II position to a Senior Management Assistant position, which is reclassifying this position from a NR-17 to NR-19. The Office of Central Services (OCS) advised that the roles and responsibilities of this position have changed beyond providing general administrative support services. This position is responsible for creating, analyzing, and developing the operating, Whitmore Parking Garage, and capital budgets for the Facilities Management Division and is responsible for the administration, projections, and maintenance of the Division’s operating and capital budgets.
- Proposed Turnover Rate** – The FY25 Proposed Current Expense Budget assumes 4% (\$476,200) turnover, which is a decrease from (\$917,500) FY24, and below the 9% vacancy rate on April 10, 2024 and the turnover rate in previous years (6% in FY23 and 9% in FY22). We are still in the process of evaluating this proposed budget to determine if we will recommend a reduction.

## Key Observations

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### **1. Crownsville Hospital Memorial Park Water and Wastewater Treatment Plant –**

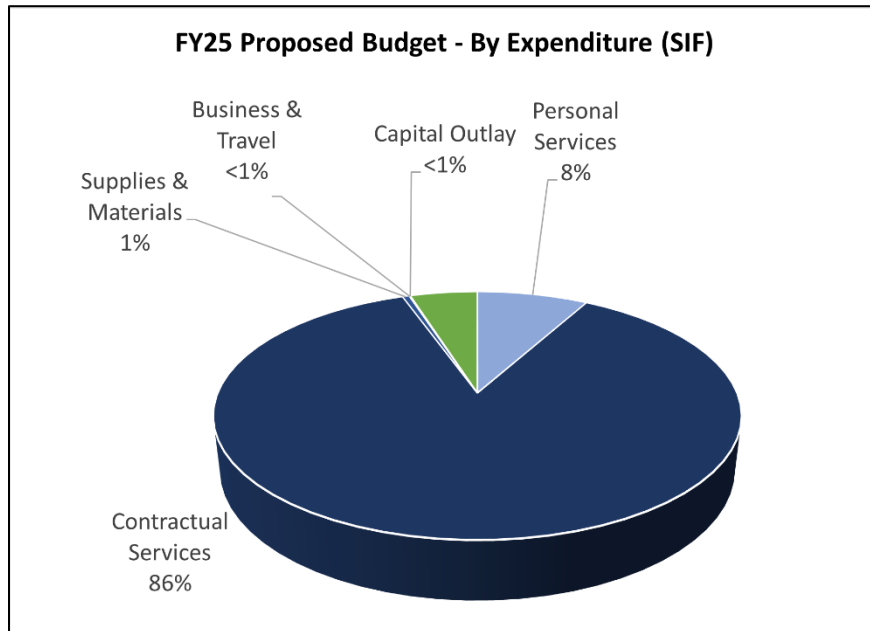
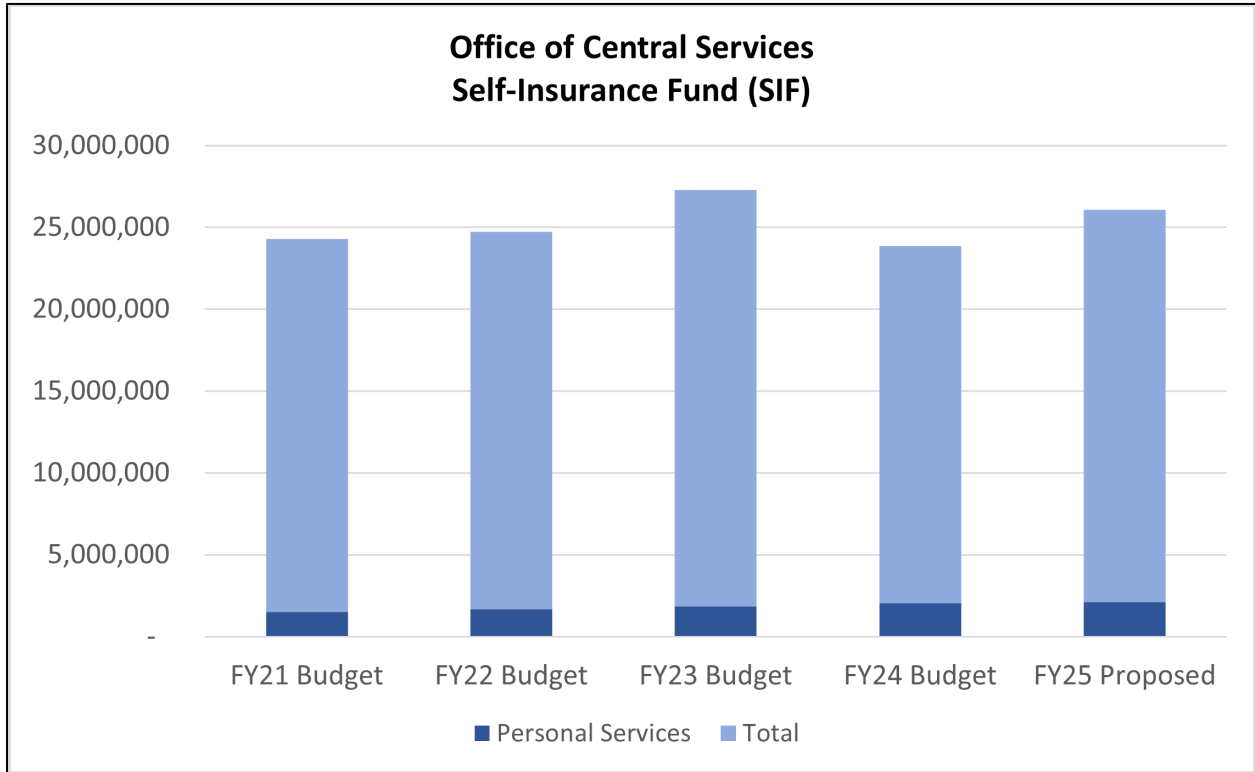
The FY25 Proposed Current Expense Budget includes \$1,363,100 for the Crownsville Hospital Water and Wastewater Treatment Plant (Plant). This is a \$565,200 increase over the current year. The Plant has been under OCS management since it was transferred from the state. It does not fall into the Department of Public Works (DPW) Bureau of Utility Operations as it has its own plants, completely separate from County water and sewer, and does not contribute to the Water and Wastewater Operating Fund. As of April 1, 2024, DPW is managing the Plant as the County terminated the contract with the Maryland Environmental Service who had been running the site. The proposed budget includes funding to cover DPW management/operational costs (\$688,900), distribution repairs (\$57,100), pump and hauling (\$575,100), and water (\$42,000).

### **2. Grounds Maintenance Cost Increase –**

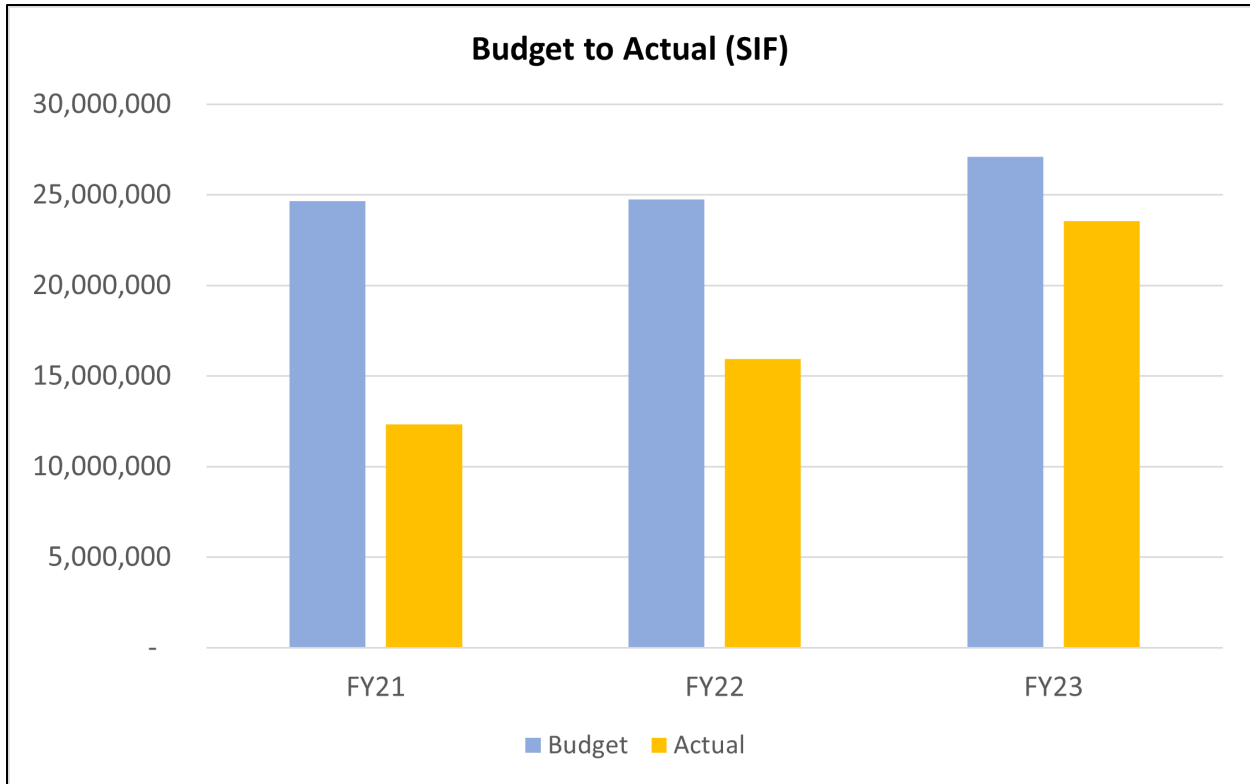
The FY25 Proposed Current Expense Budget requests \$1,107,100 which reflects an increase of \$615,100 for grounds maintenance, which includes a vendor rate increase and the addition of previously unfunded locations to their service contract (\$370,300), increase in tree trimming costs (\$31,900), one-time funding for restoration of bioretention ponds (\$151,000), and recurring funding for maintenance of the ponds (\$61,000). OCS advised that the increased funding request is necessary to avoid violations from the Department of Inspections and Permits.

# Office of Central Services – Self-Insurance Fund

## Operating Budget Summary



Note: Chart data is provided in Appendix 2



Note: Chart data provided in Appendix 2. Adjusted Budget includes supplemental appropriations of \$344,000 for FY21 and an appropriation adjustment of (\$180,000) for FY23, and, therefore, does not match the Original Budget used in Chart 1.

## Personnel Data

| Full-Time Equivalent Positions as of April 10, 2024 |             |             |             |               |              |
|---|-------------|-------------|-------------|---------------|--------------|
| Positions   | FY22 Actual | FY23 Actual | FY24 Actual | FY25 Proposed | FY24 v. FY25 |
| Self-Insurance Fund                                 | 16          | 16          | 17          | 17            | 0            |
| Filled  | 16          | 16          | 17          |               |              |
| Vacant  | 0           | 0           | 0           |               |              |

- **Two reclassifications are proposed-**
  - Two filled Safety Coordinator positions to Senior Safety Coordinator positions, reclassing the positions two grades higher from a NR-15 to NR-17. OCS advised that these positions are now responsible for creating and administrating County-wide safety programs as opposed to departmental level training programs.

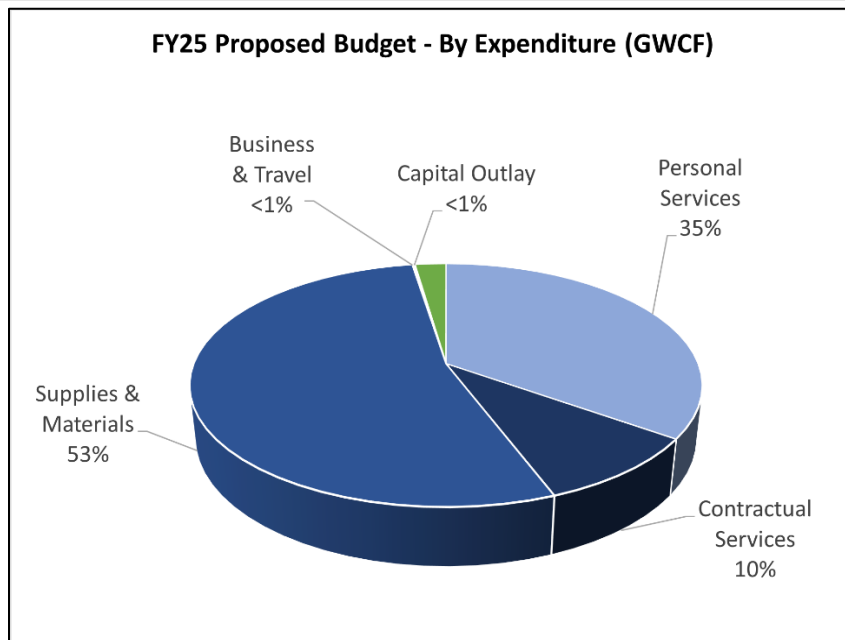
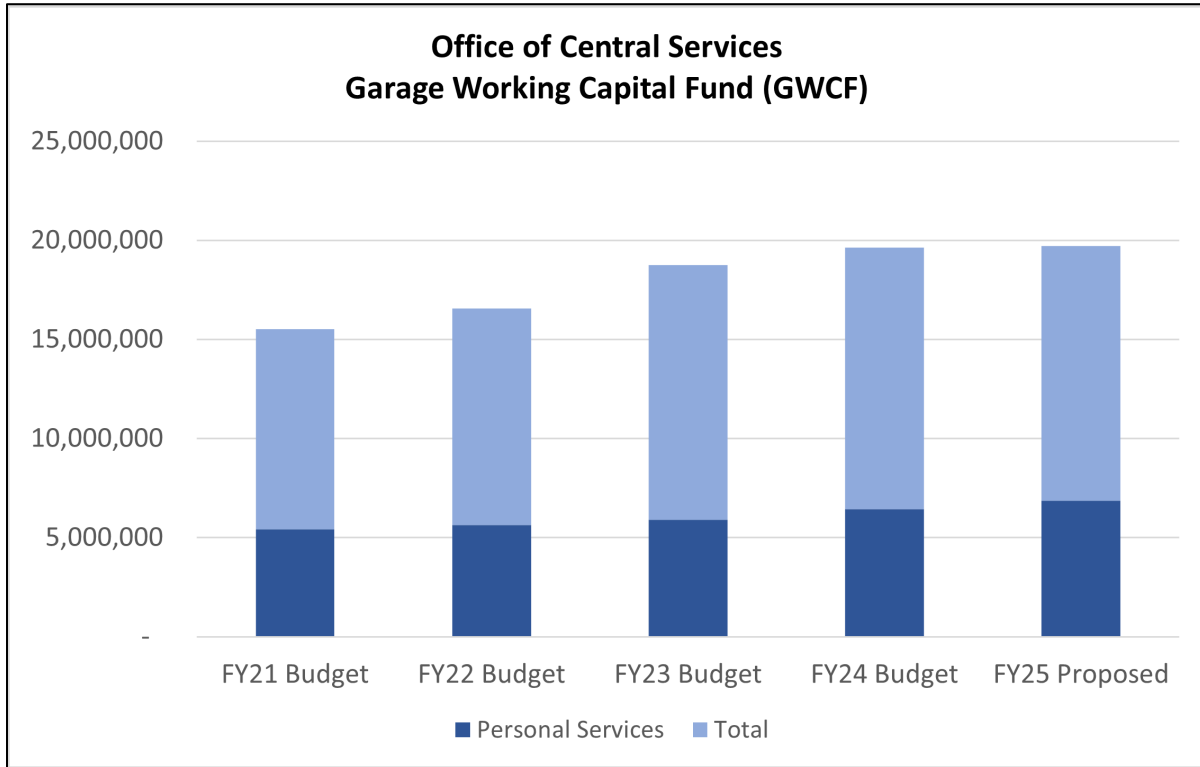
## Key Observations and Recommendation

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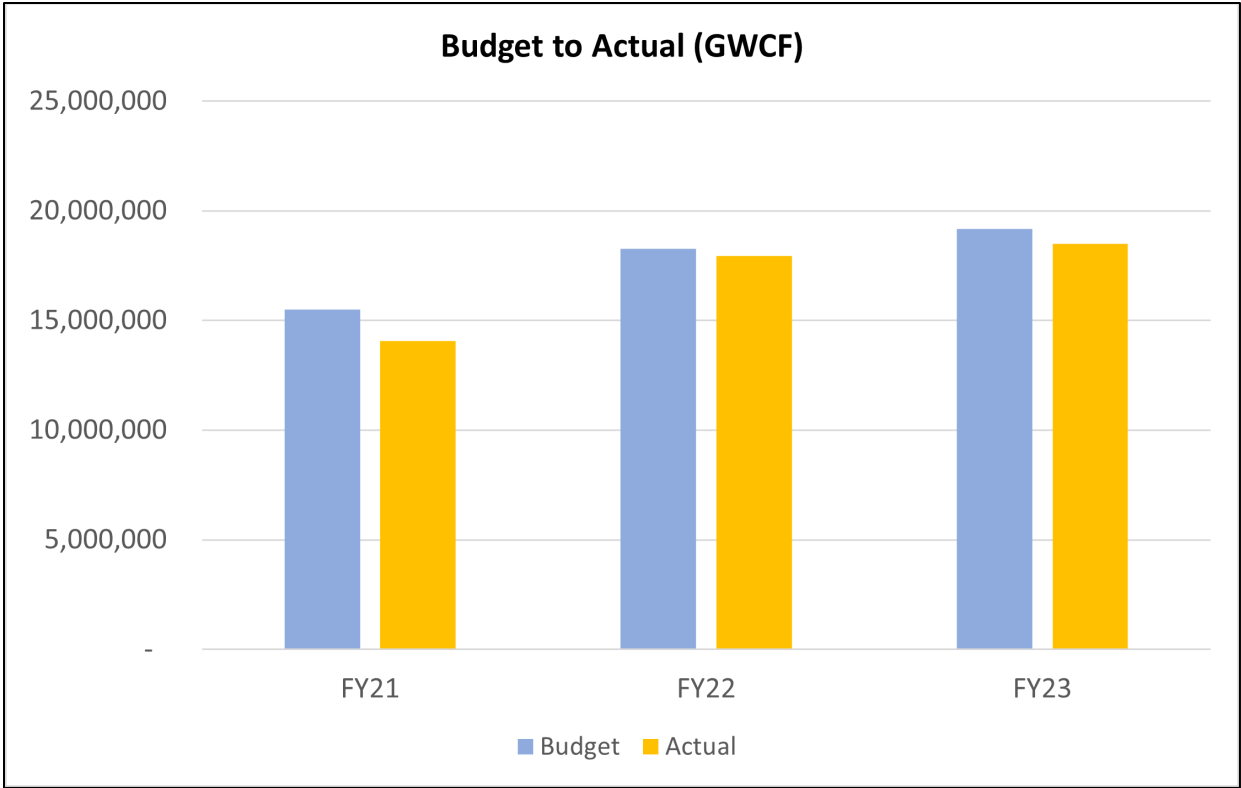
- 1. Bureau of Highways Capital Project** – The Bureau of Highways experienced a fire at its traffic maintenance facility in Millersville on March 18, 2024. The FY25 Proposed Current Expense Budget includes \$1,000,000 in anticipated insurance payments for the fire damage being allocated to the FY25 Proposed Capital Budget and Program for the Traffic Maint Fac Upg Relo (Project #C589000, p.45 of the capital budget book). The FY25 capital budget reflects \$1,000,000 in FY25 Insurance Recoveries funding for costs associated with providing temporary facilities.
- 2. Increase in Insurance Costs** – The FY25 Proposed Current Expense Budget reflects a collective \$1,100,000 increase in Worker’s Compensation, General Liability, Automobile Liability, and Vehicle Collision insurances based on the recommendations from the June 30, 2023 actuarial study for the SIF.
- 3. Self-Insurance Fund Balance Policy** – OCS current policy requires that the SIF maintain a budget year ending fund balance in the range of 6% of the Total Liability or 12% of the Unpaid Claims published on the most recent Annual Comprehensive Financial Report (ACFR). The FY23 ACFR states the Total Liability as \$88,205,544 and the Unpaid Claims as \$44,214,143, resulting in an ending fund balance range of \$5,292,332-\$5,305,697. The FY25 Proposed Current Expense Budget projects a June 30, 2025 fund balance of \$5,332,700, which is slightly higher than the policy fund balance range.
- 4. Reduction of Self-Insurance Contribution – Board of Education (BOE)** – The FY25 Proposed Current Expense Budget assumes a BOE contribution of \$4,389,500 to adequately fund SIF. Based on the annual liabilities update, BOE advised that there can be a decrease to the proposed budget contribution by \$130,000. **Therefore, we recommend a reduction of the BOE contribution to SIF of \$130,000.**

# Office of Central Services – Garage Working Capital Fund (GWCF)

## Operating Budget Summary



Note: Chart data is provided in Appendix 3



Note: Chart data provided in Appendix 3. Adjusted Budget includes supplemental appropriations of \$1,706,700 for FY22 and \$400,000 for FY23 and, therefore, does not match the Original Budget used in Chart 1.

## Personnel Data

---

| <b>Full-Time Equivalent Positions as of April 10, 2024</b> |                    |                    |                    |                      |                     |
|--|--------------------|--------------------|--------------------|----------------------|---------------------|
| <b>Positions</b>   | <b>FY22 Actual</b> | <b>FY23 Actual</b> | <b>FY24 Actual</b> | <b>FY25 Proposed</b> | <b>FY24 v. FY25</b> |
| <b>Garage Working Capital Fund</b>                         | 67                 | 67                 | 67                 | 68                   | 1                   |
| <b>Filled</b>  | 63                 | 63                 | 62                 |                      |                     |
| <b>Vacant</b>  | 4                  | 4                  | 5                  |                      |                     |

- One new position is proposed** – The FY25 Proposed Current Expense Budget requests one full-time Automotive Mechanic I position, which provides \$62,900 for salary and benefits to convert an existing, vacant seasonal position responsible for maintaining the County’s automotive fleet. OCS advised that it is difficult to maintain garage staffing levels when the Automotive Mechanic III has to provide towing services. This request has reduced the Temporary Pay in the FY25 Proposed Current Expense Budget by \$27,500.

## Key Observation

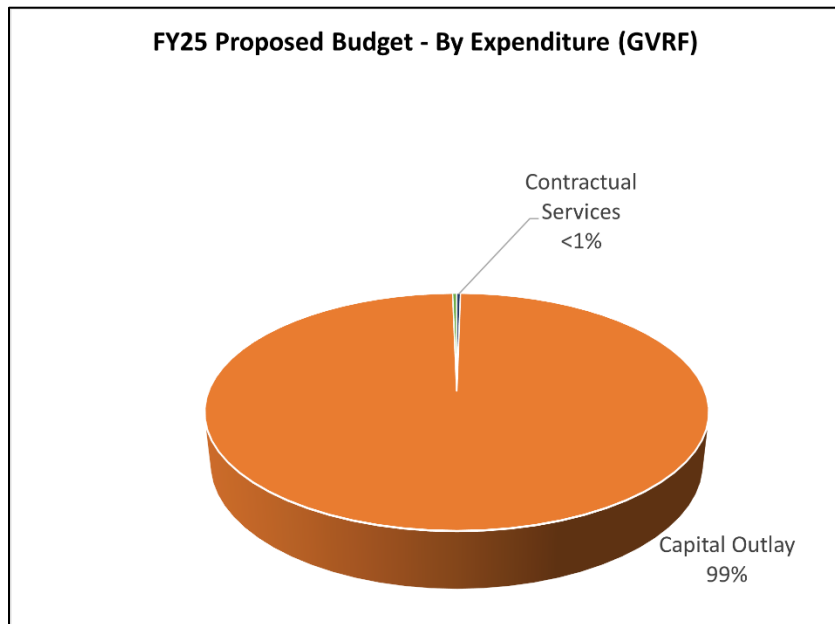
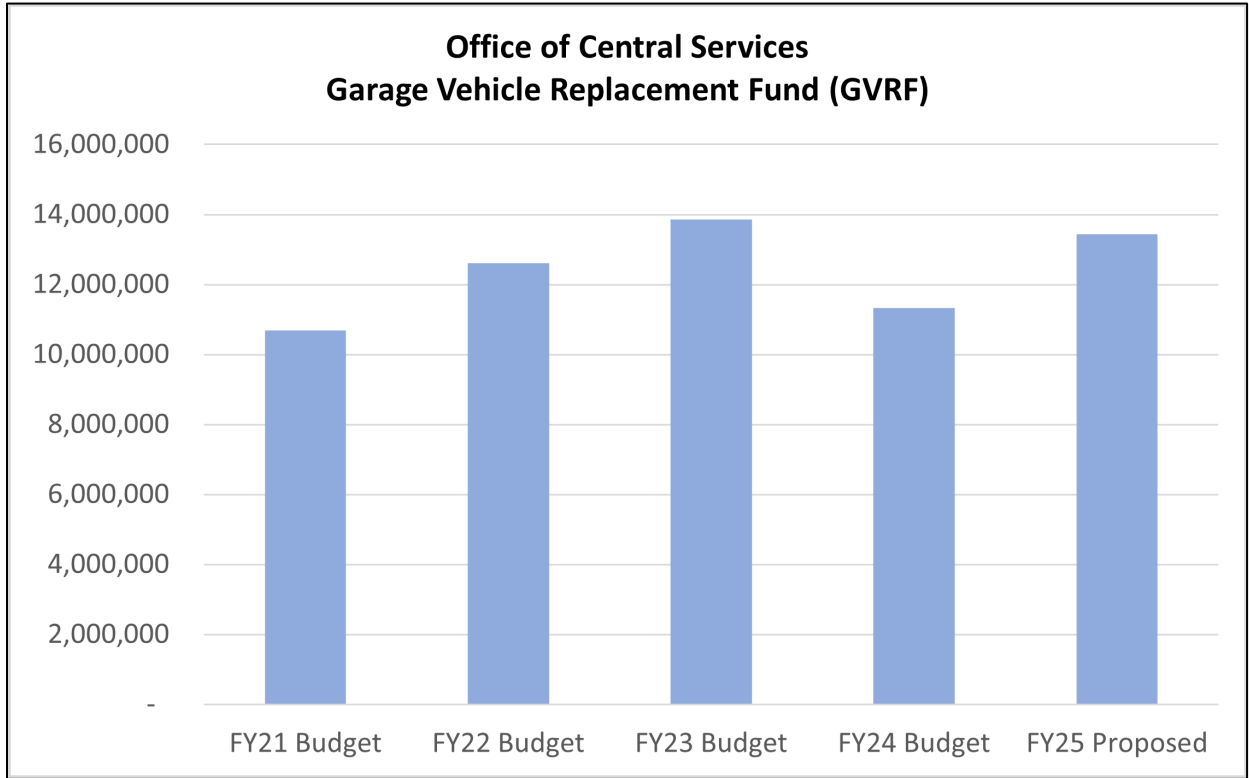
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- 1. Decrease in Working Capital Inventory** – The FY 25 Proposed Current Expense Budget for this object code is \$10,296,000 and reflects a \$408,000 decrease in operating costs based on flat gas and diesel cost expectations.

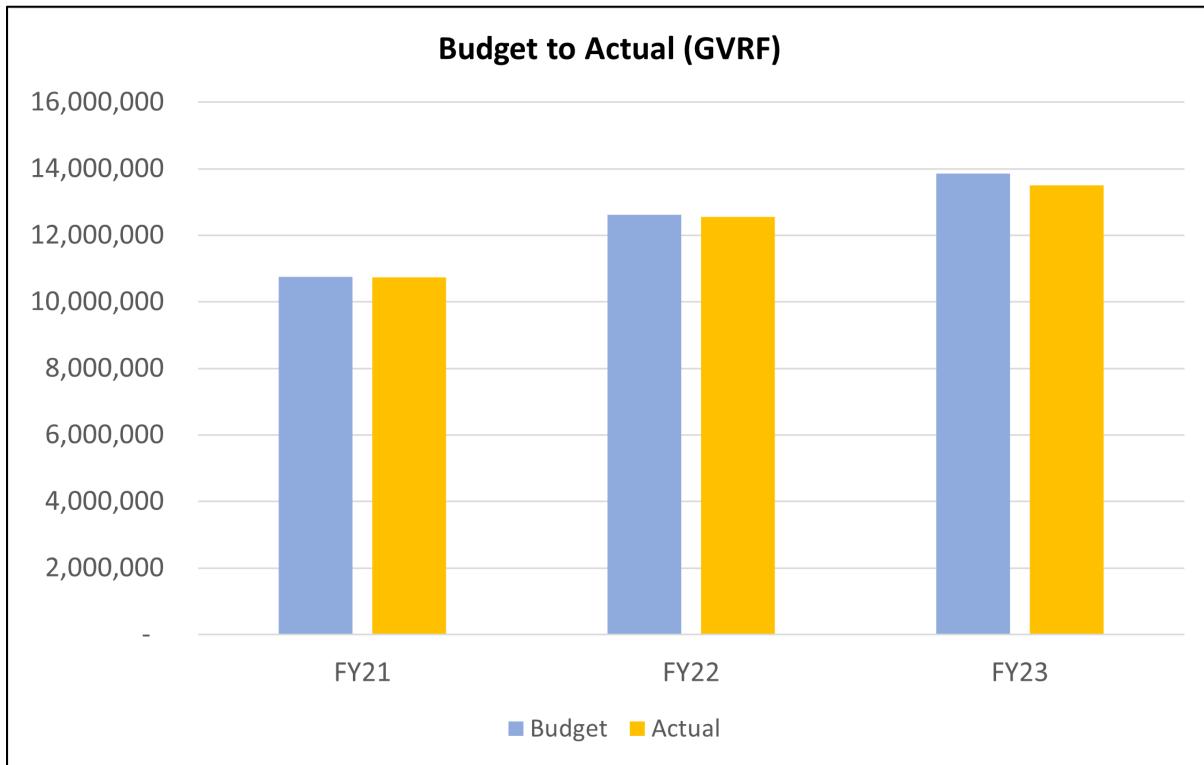


# Office of Central Services – Garage Vehicle Replacement Fund (GVRF)

## Operating Budget Summary



Note: Chart data is provided in Appendix 4



Note: Chart data provided in Appendix 4. Adjusted Budget includes a supplemental appropriation of \$68,000 for FY21 and, therefore, does not match the Original Budget used in Chart 1.

## Key Observations and Recommendation

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- 1. Policy Change for New Fleet Addition Budget Requests** – Beginning in FY25, new vehicle requests will be budgeted through the Garage Vehicle Replacement Fund (GVRF) instead of the General Fund. Effective July 1, 2024, the Fleet Manager will be responsible for ordering new vehicles. Departments will not be able to independently order vehicles outside of this process. OCS advised that this new policy will ensure compliance with purchasing laws as well as compatibility of equipment, parts costs, and service level agreements.
- 2. FY25 Fleet Additions and Replacement Vehicles** – The FY25 Proposed Current Expense Budget includes two new vehicle requests: one Police SUV Patrol-Police Department (\$69,500) and one Full 4x4 Pick-up-Department of Recreation and Parks (\$45,200). OCS has requested \$13,242,700 to replace 119 vehicles in the FY25 Proposed Current Expense Budget. This request includes 93 vehicles that were proposed to be replaced in prior fiscal years but were not replaced. When comparing the FY24 Vehicle Cost Rates with the FY25 Vehicle Cost Rates, the cost to replace these vehicles increased by \$334,372 for the FY25 proposed budget.

There is one vehicle listed on the FY25 Vehicle Replacement List that could not be located on the agency's Vehicle Master List. **Therefore, we recommend reducing the FY25 Proposed Current Expense Budget by \$66,000 to eliminate the excess funds.**

## Appendix 1: Chart Data

### Office of Central Services – General Fund Budget

|                        | FY21 Budget       | FY22 Budget       | FY23 Budget       | FY24 Budget       | FY25 Proposed     |
|------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Personal Services      | 10,012,600        | 10,537,400        | 11,455,600        | 12,477,200        | 13,719,500        |
| Contractual Services   | 12,112,700        | 13,935,900        | 16,646,400        | 19,527,600        | 21,572,200        |
| Supplies & Materials   | 2,780,100         | 1,222,600         | 1,346,100         | 1,383,300         | 1,337,600         |
| Business & Travel      | 48,600            | 48,500            | 48,500            | 48,900            | 49,400            |
| Capital Outlay         | 33,800            | 34,800            | 167,200           | 226,200           | 43,800            |
| Grants, Contr. & Other | -                 | -                 | -                 | -                 | -                 |
| <b>Total</b>           | <b>24,987,800</b> | <b>25,779,200</b> | <b>29,663,800</b> | <b>33,663,200</b> | <b>36,722,500</b> |

### FY25 Proposed Budget by Bureau – General Fund

| Name                   | FY25 Proposed        |
|------------------------|----------------------|
| Administration         | \$ 1,275,900         |
| Purchasing             | \$ 4,195,700         |
| Facilities Maintenance | \$ 28,024,900        |
| Real Estate            | \$ 3,226,000         |
| <b>Total</b>           | <b>\$ 36,722,500</b> |

### FY25 Proposed Budget by Expenditure Type – General Fund

| Object                 | FY25 Proposed     |
|------------------------|-------------------|
| Personal Services      | 13,719,500        |
| Contractual Services   | 21,572,200        |
| Supplies & Materials   | 1,337,600         |
| Business & Travel      | 49,400            |
| Capital Outlay         | 43,800            |
| Grants, Contr. & Other | -                 |
| <b>Total</b>           | <b>36,722,500</b> |

### FY21-FY23 Budget to Actual – General Fund

|               | FY21       | FY22          | FY23          |
|---------------|------------|---------------|---------------|
| <b>Budget</b> | 24,987,800 | \$ 26,790,500 | \$ 31,713,800 |
| <b>Actual</b> | 24,162,992 | \$ 26,453,751 | \$ 30,187,681 |

Budget includes supplemental appropriations of \$1,011,300 for FY22 and \$2,050,000 for FY23 and, therefore, does not match the Original Budget used in Chart 1.

## Appendix 2: Chart Data

### Office of Central Services – Self-Insurance Fund (SIF) Budget

|                        | FY21 Budget       | FY22 Budget       | FY23 Budget       | FY24 Budget       | FY25 Proposed     |
|------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Personal Services      | 1,522,300         | 1,687,800         | 1,839,900         | 2,037,800         | 2,110,300         |
| Contractual Services   | 22,406,700        | 22,680,600        | 25,027,600        | 21,416,600        | 22,534,900        |
| Supplies & Materials   | 72,400            | 72,400            | 116,800           | 120,500           | 127,800           |
| Business & Travel      | 16,700            | 16,700            | 16,700            | 16,800            | 24,500            |
| Capital Outlay         | 2,000             | 2,000             | 2,000             | 3,900             | -                 |
| Grants, Contr. & Other | 278,000           | 278,000           | 278,000           | 278,000           | 1,278,000         |
| <b>Total</b>           | <b>24,298,100</b> | <b>24,737,500</b> | <b>27,281,000</b> | <b>23,873,600</b> | <b>26,075,500</b> |

### FY25 Proposed Budget by Expenditure Type – SIF

| Object                 | FY25 Proposed     |
|------------------------|-------------------|
| Personal Services      | 2,110,300         |
| Contractual Services   | 22,534,900        |
| Supplies & Materials   | 127,800           |
| Business & Travel      | 24,500            |
| Capital Outlay         | -                 |
| Grants, Contr. & Other | 1,278,000         |
| <b>Total</b>           | <b>26,075,500</b> |

### FY21-FY23 Budget to Actual – SIF

|               | FY21       | FY22          | FY23          |
|---------------|------------|---------------|---------------|
| <b>Budget</b> | 24,642,100 | \$ 24,737,500 | \$ 27,101,000 |
| <b>Actual</b> | 12,327,800 | \$ 15,935,177 | \$ 23,541,454 |

Budget includes supplemental appropriations of \$344,000 for FY21 and an appropriation adjustment of (\$180,000) for FY23 and, therefore, does not match the Original Budget used in Chart 1.

## Appendix 3: Chart Data

### Office of Central Services – Garage Working Capital Fund (GWCF)

|                        | FY21 Budget       | FY22 Budget       | FY23 Budget       | FY24 Budget       | FY25 Proposed     |
|------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Personal Services      | 5,429,700         | 5,642,600         | 5,900,000         | 6,429,800         | 6,856,400         |
| Contractual Services   | 1,795,300         | 1,795,300         | 1,789,700         | 1,789,700         | 1,855,500         |
| Supplies & Materials   | 7,685,700         | 8,553,600         | 10,512,200        | 10,911,700        | 10,511,100        |
| Business & Travel      | 16,700            | 16,700            | 16,700            | 16,700            | 18,800            |
| Capital Outlay         | 125,400           | 87,500            | 89,600            | 22,500            | 23,200            |
| Grants, Contr. & Other | 455,800           | 455,800           | 455,800           | 455,800           | 455,800           |
| <b>Total</b>           | <b>15,508,600</b> | <b>16,551,500</b> | <b>18,764,000</b> | <b>19,626,200</b> | <b>19,720,800</b> |

### FY25 Proposed Budget by Expenditure Type – GWCF

| Object                 | FY25 Proposed     |
|------------------------|-------------------|
| Personal Services      | 6,856,400         |
| Contractual Services   | 1,855,500         |
| Supplies & Materials   | 10,511,100        |
| Business & Travel      | 18,800            |
| Capital Outlay         | 23,200            |
| Grants, Contr. & Other | 455,800           |
| <b>Total</b>           | <b>19,720,800</b> |

### FY21-FY23 Budget to Actual – GWCF

|               | FY21       | FY22          | FY23          |
|---------------|------------|---------------|---------------|
| <b>Budget</b> | 15,508,600 | \$ 18,258,200 | \$ 19,164,000 |
| <b>Actual</b> | 14,061,964 | \$ 17,935,113 | \$ 18,493,938 |

Budget includes supplemental appropriations of \$1,706,700 for FY22 and \$400,000 for FY23 and, therefore, does not match the Original Budget used in Chart 1.

## Appendix 4: Chart Data

### Office of Central Services – Garage Vehicle Replacement Fund (GVRF)

|                        | FY21 Budget       | FY22 Budget       | FY23 Budget       | FY24 Budget       | FY25 Proposed     |
|------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Personal Services      | -                 | -                 | -                 | -                 | -                 |
| Contractual Services   | 37,000            | 37,000            | 37,000            | 37,000            | 38,100            |
| Supplies & Materials   | -                 | -                 | -                 | -                 | -                 |
| Business & Travel      | -                 | -                 | -                 | -                 | -                 |
| Capital Outlay         | 10,603,200        | 12,530,500        | 13,780,100        | 11,246,300        | 13,355,500        |
| Grants, Contr. & Other | 42,300            | 42,300            | 42,300            | 42,300            | 42,300            |
| <b>Total</b>           | <b>10,682,500</b> | <b>12,609,800</b> | <b>13,859,400</b> | <b>11,325,600</b> | <b>13,435,900</b> |

### FY25 Proposed Budget by Expenditure Type - GVRF

| Object                 | FY25 Proposed     |
|------------------------|-------------------|
| Personal Services      | -                 |
| Contractual Services   | 38,100            |
| Supplies & Materials   | -                 |
| Business & Travel      | -                 |
| Capital Outlay         | 13,355,500        |
| Grants, Contr. & Other | 42,300            |
| <b>Total</b>           | <b>13,435,900</b> |

### FY21-FY23 Budget to Actual - GVRF

|               | FY21       | FY22          | FY23          |
|---------------|------------|---------------|---------------|
| <b>Budget</b> | 10,750,500 | \$ 12,609,800 | \$ 13,859,400 |
| <b>Actual</b> | 10,729,210 | \$ 12,558,001 | \$ 13,495,774 |

Budget includes a supplemental appropriation of \$68,000 for FY21 and, therefore, does not match the Original Budget used in Chart 1.



Legislation Review

# Review of the Fiscal Year 2025 Proposed Current Expense Budget Office of Finance and Office of Finance (Non-Departmental)

Report Date: May 20, 2024

Hearing Date: May 21, 2024

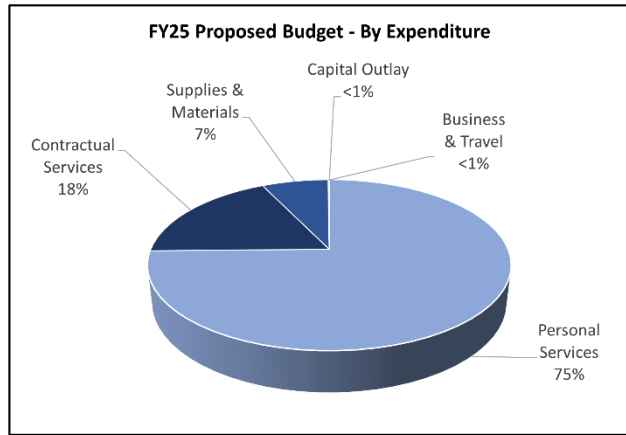
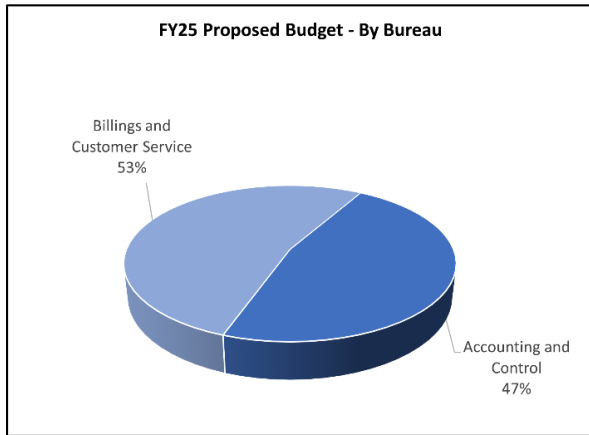
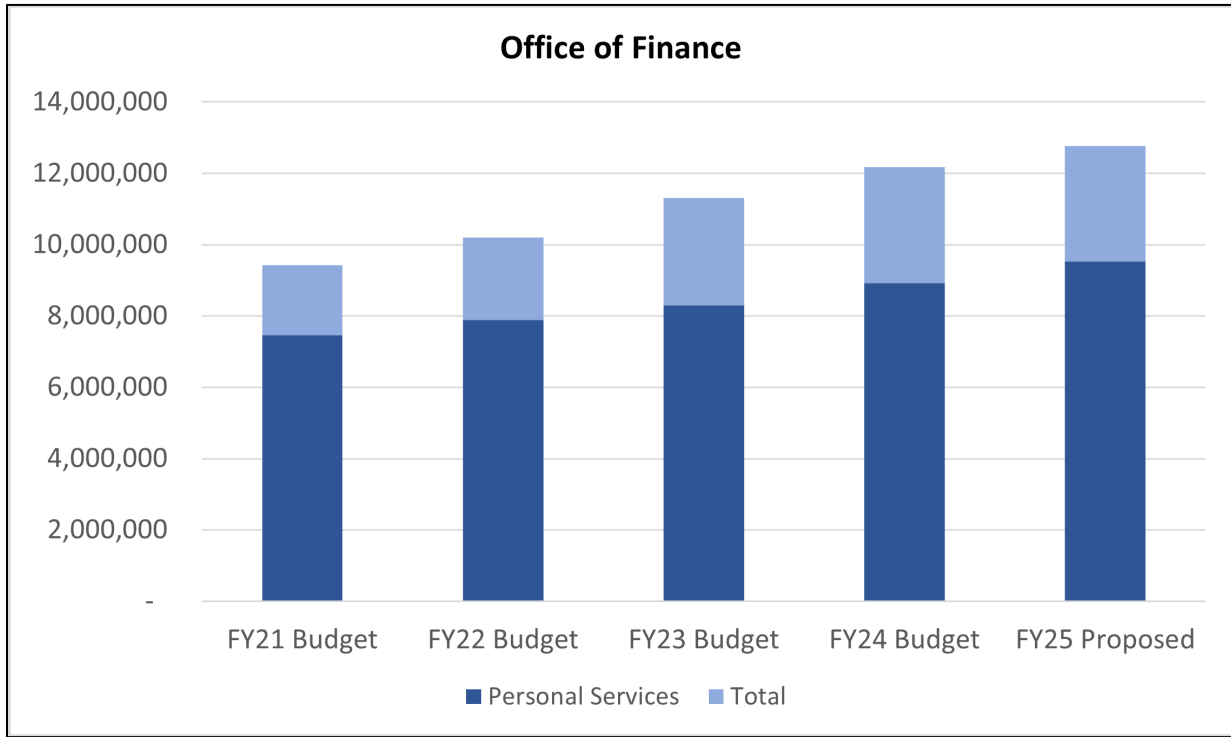
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|--|--|
| <b>Questions Sent to the Agency:</b>       | <b>May 4, 2024; May 12, 2024</b>                       |
| <b>Responses Received from the Agency:</b> | <b>May 7, 2024 &amp; May 8, 2024;<br/>May 16, 2024</b> |

**This analysis considers all agency responses.**

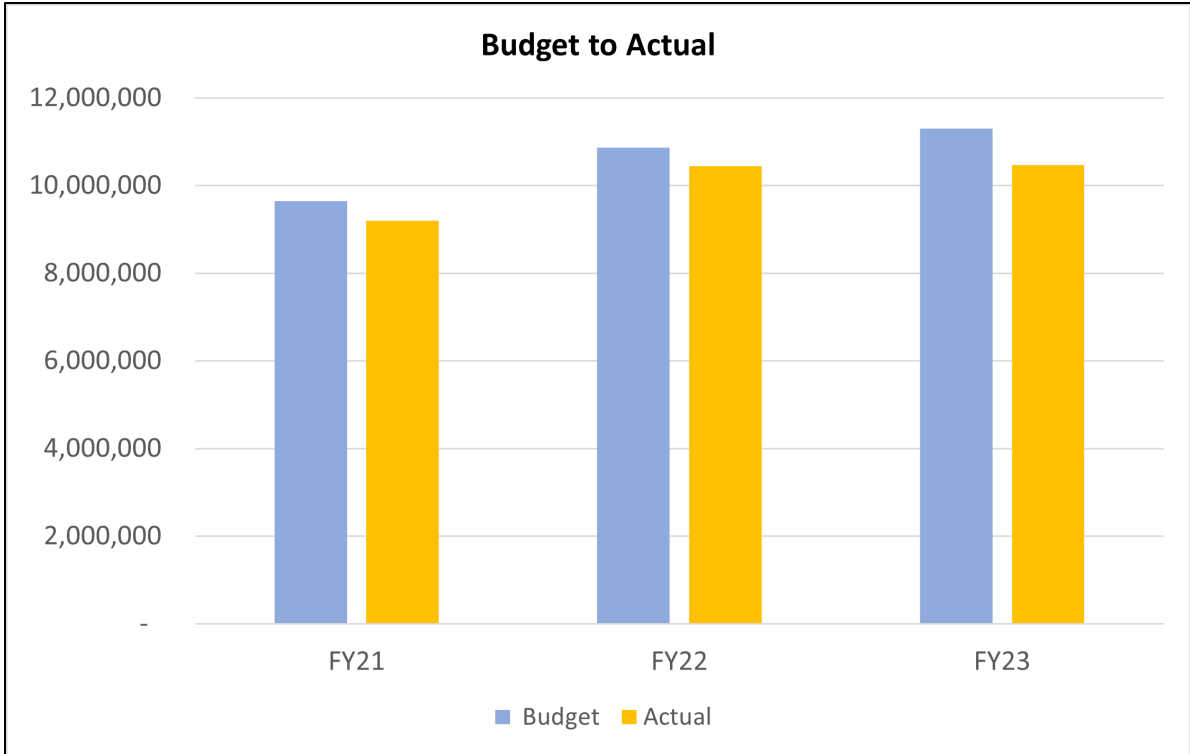


# Office of Finance

## Operating Budget Summary



Note: Chart data provided in the Appendix



Note: Chart data provided in the Appendix. Adjusted Budget includes supplemental appropriations of \$225,000 for FY21 and \$663,000 for FY22 and, therefore, does not match the Original Budget used in Chart 1.

## Personnel Data

| <b>Full-Time Equivalent Positions as of April 10, 2024</b> |                    |                    |                    |                      |                     |
|--|--------------------|--------------------|--------------------|----------------------|---------------------|
| <b>Positions</b>   | <b>FY22 Actual</b> | <b>FY23 Actual</b> | <b>FY24 Actual</b> | <b>FY25 Proposed</b> | <b>FY24 v. FY25</b> |
| General Fund   | 78                 | 78                 | 81                 | 81                   | 0                   |
| Filled   | 71                 | 65                 | 71                 |                      |                     |
| Vacant   | 7                  | 13                 | 10                 |                      |                     |

- **Five reclassifications, three filled and two vacant positions, are proposed –**
  - One vacant Customer Service Representative position to a Financial Clerk I position, which is a lateral reclassification (OS-7). The Office of Finance (Finance) advised that this reclassification will alleviate some of the paperwork burden that customer service representatives face in handling customer complaints.
  - One vacant Customer Service Representative position to a Senior Customer Service Representative position, which is reclassifying the position from an OS-7 to OS-9. Finance advised that this reclassification is to provide a manager whose focus will be on customer service issues and supervising the employees who face those issues as well as providing opportunity for growth within the department for this position.
  - One filled Financial Clerk II position to a Management Aide position, which is reclassifying the position from a NR-11 to NR-12. Finance advised this reclassification is to better align the current duties of this position. These duties include training new accounts payable staff, customer service for vendors, and troubleshooting and testing system updates to allow the accounts payable team to focus on more complex issues.
  - One filled Budget and Management Analyst III position to a Manager, Financial Services position, which is a lateral reclassification (NR-20). Finance advised this reclassification is to better align the fiscal nature of this position with responsibilities such as, program administration, financial planning and reporting, fiscal analysis, and legislative liaison, and that this position was transferred from the Office of the Budget in FY24.
  - One filled Accountant III position to a Finance Systems Analyst position, which is reclassifying the position from a NR-19 to NR-20. Finance advised this reclassification is to better align the current duties of this position with a more accurate job description. These duties include similar duties as the System Analyst position in the Office of Information Technology, such as system support for the County’s billing and collection systems and working with software vendors.

## Key Observations

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- 1. Contractual Services (Legal Notices)** – The FY25 Proposed Current Expense Budget includes \$123,200 for advertising costs of the annual tax sale, a \$92,200 (43%) decrease from the FY24 Approved Current Expense Budget. The FY24 Approved Current Expense Budget was based on the anticipated tax sale of 4,000 parcels; however, the May 2023 tax sale consisted of 2,287 parcels. Finance advised the FY25 Proposed Current Expense Budget for these advertising costs reflected the decrease of parcels advertised for the annual tax sale.
- 2. Contractual Services (Other Professional Services – Ambulance Services)** – The FY25 Proposed Current Expense Budget includes \$1,467,100 for ambulance service costs, a \$187,700 (11%) decrease from the FY24 Approved Current Expense Budget. This decrease is offset by a \$75,000 increase to the ambulance billing program in a different object. The decrease is generally attributed to ambulance service costs, including the payments for the ambulance billing consultant related to Medicaid reimbursement for ambulance transports (\$897,003) and traditional ambulance billing program payments (\$604,700). Finance advised that the budget decreased due to many factors, known and unknown (such as, number of residents that are Medicaid recipients, level of care required, distance of each transport, and number of annual transports).
- 3. Supplies and Materials (Printing – Commercial)** – The FY25 Proposed Current Expense Budget includes \$126,800 for commercial printing costs, a \$63,300 (100%) increase from the FY24 Approved Current Expense Budget. The increase is attributed to the increase costs for envelopes used in County billings and that a FY24 fourth quarter supplemental appropriation will be requested for approximately \$125,000 related to the significant cost increases of envelopes.
- 4. Supplies and Materials (General Office Mailing)** – The FY25 Proposed Current Expense Budget includes \$698,300 for general office mailing, a \$68,500 (11%) increase over the FY24 Approved Current Expense Budget. The increase is attributed to the anticipated postage cost increase in July 2024 as well as the postage cost increase that occurred in January 2024, which has also caused an increase in the estimated FY24 expenditures. Postage costs have typically been increasing in January and July each year since 2011. Finance advised that a FY24 fourth quarter supplemental appropriation will be requested for approximately \$70,000 related to the increase in postage costs.

## Office of Finance (Non-Departmental)

### Key Observations

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Office of Finance (Non-Departmental) represents costs that are not readily tied to any particular County department. Below summarizes certain costs included in this category:

- 1. Revenue Reserve Fund** – The FY25 Proposed Current Expense Budget includes a contribution of \$7,800,000 to the Revenue Reserve Fund (Fund). The current balance limit of this fund is 8% of general fund revenues (Bill 41-23 increased the balance limit of this fund from 7% to 8% of general fund revenues). Estimated revenues for FY25 are \$2,130,230,000; therefore, the reserve maximum is \$170,418,400 at the 8% limit. The FY25 beginning budgetary fund balance of \$159,903,638, the FY25 contribution of \$7,800,000, and projected interest of \$2,700,000 totals the estimated ending balance of \$170,403,638, less than \$14,762 under the 8% cap.

Note: The balance of the Fund above refers to the budgetary fund balance per the County's Debt Management Policy. This amount plus the appropriation and the estimated investment income are used to calculate the not to exceed amount.

- 2. Contributions to Other Funds** – The FY25 Proposed Current Expense Budget includes \$22,027,000 in contributions from the General Fund to other funds. These transfers consist of the annual contribution to the Reserve Fund for Permanent Public Improvements (\$21,000,000) related to capital project funding, a one-time contribution to the Public Campaign Financing Fund (\$1,000,000), and administrative expenses for the 401(a) plan (\$27,000). The Office of the Budget advised that the \$1,000,000 contribution to the Public Campaign Financing Fund is one-time start-up funding related to Bill 25-23.
- 3. Debt Service Payments** – Debt service payments are partially budgeted in the Office of Finance (Non-Departmental). The FY25 Proposed Current Expense Budget includes \$146,547,700 for debt service payments for the following:
  - General County – \$59,534,300,
  - Board of Education – \$77,603,000,
  - Community College – \$7,258,900, and
  - Compass Pointe Golf Course – \$1,676,500.

In addition, debt service issuance costs and consultant fees of \$475,000 are included in the FY25 Proposed Current Expense Budget. Other debt service payments in the FY25 Proposed Current Expense Budget include Water and Wastewater (\$79,200,300), Permanent Public Improvements (\$10,714,030), and installment purchase agreements for the purchase of real property easements to preserve agriculture and woodland (\$736,100).

We are waiting on additional support to review these amounts.

- 4. Tax Increment Districts/Special Tax Districts** – The FY25 Proposed Current Expense Budget request for Tax Increment Districts and Special Tax Districts are \$55,271,000 and \$4,631,300, respectively. Based on the provided annual special tax reports for each of these districts, we were able to verify these funding requests.
- 5. Contributions to Retiree Health Insurance** – The FY25 Proposed Current Expense Budget includes contributions to retiree health insurance of \$60,394,000 to pay for retirees of County government to continue to receive health benefits and consists of the following:
- \$1,119,000 represents the contribution for Anne Arundel Community College’s Retiree Health Benefits;
  - \$583,300 represents the contribution for Anne Arundel County Public Library’s Retiree Health Benefits;
  - \$24,963,600 represents the contribution for Anne Arundel County Board of Education’s Retiree Health Benefits; and
  - \$33,728,100 represents the contribution for Anne Arundel County’s Retiree Health Benefits, consisting of a general fund contribution to the County’s Retiree Health Benefits Fund (\$29,190,300) and to the reserve fund for retiree health benefits (\$4,537,800).

Further explanation regarding the General Fund contribution to the County’s Retiree Health Benefits Fund and the contribution for the Board of Education’s Retiree Health Benefits can be found in the Office of the County Auditor’s (OCA) Office of Personnel Operating Budget Analysis report.

- 6. Contributions to Self-Insurance Fund** – The FY25 Proposed Current Expense Budget includes contributions to the Self-Insurance Fund of \$16,442,000. Further explanation regarding the Self-Insurance Fund can be found in the OCA’s Office of Central Services Operating Budget Analysis report.
- 7. Mandated Grants** – The FY25 Proposed Current Expense Budget includes \$3,481,600 for various mandated grants, a \$117,800 (4%) increase over the FY24 Approved Current Expense Budget. The increase in funding is generally attributed to the payment to the City of Annapolis for their share of the state 9-1-1 Trust Fund payments and Fire Protection Aid, which we were able to verify.
- 8. PAYGO and Impact Fee Special Revenue Fund** – The recommendations for an amendment to Pay-as-you-Go (PAYGO) and the Impact Fee Special Revenue Fund are reconciliation items that will update based on any future amendments to the FY25 Proposed Capital Budget and Program, including the supplemental budget request, and will be provided at that time.

## Appendix: Chart Data

### Personal Services to Total

|                        | FY21 Budget      | FY22 Budget       | FY23 Budget       | FY24 Budget       | FY25 Proposed     |
|------------------------|------------------|-------------------|-------------------|-------------------|-------------------|
| Personal Services      | 7,472,200        | 7,895,400         | 8,298,800         | 8,919,900         | 9,534,300         |
| Contractual Services   | 1,282,300        | 1,643,800         | 2,291,400         | 2,457,500         | 2,313,200         |
| Supplies & Materials   | 643,800          | 637,400           | 689,400           | 767,500           | 898,900           |
| Business & Travel      | 20,800           | 19,800            | 19,200            | 17,200            | 14,200            |
| Capital Outlay         | 5,000            | 4,000             | 3,200             | 5,400             | 2,000             |
| Grants, Contr. & Other | -                | -                 | -                 | -                 | -                 |
| <b>Total</b>           | <b>9,424,100</b> | <b>10,200,400</b> | <b>11,302,000</b> | <b>12,167,500</b> | <b>12,762,600</b> |

### Proposed FY25 Budget by Expenditure Type

| Object                 | FY25 Proposed     |
|------------------------|-------------------|
| Personal Services      | 9,534,300         |
| Contractual Services   | 2,313,200         |
| Supplies & Materials   | 898,900           |
| Business & Travel      | 14,200            |
| Capital Outlay         | 2,000             |
| Grants, Contr. & Other | -                 |
| <b>Total</b>           | <b>12,762,600</b> |

### Proposed FY25 Budget by Bureau

| Name                          | FY25 Proposed        |
|-------------------------------|----------------------|
| Accounting and Control        | \$ 6,020,900         |
| Billings and Customer Service | \$ 6,741,700         |
| <b>Total</b>                  | <b>\$ 12,762,600</b> |

### FY21-FY23 Budget to Actual

|               | FY21      | FY22          | FY23          |
|---------------|-----------|---------------|---------------|
| <b>Budget</b> | 9,649,100 | \$ 10,863,400 | \$ 11,302,000 |
| <b>Actual</b> | 9,194,310 | \$ 10,444,214 | \$ 10,464,613 |

Budget includes supplemental appropriations of \$225,000 for FY21 and \$663,000 for FY22 and, therefore, does not match the Original Budget used in Chart 1.



Legislation Review

# Review of the Fiscal Year 2025 Proposed Current Expense Budget Office of Information Technology

Report Date: May 20, 2024  
Hearing Date: May 21, 2024

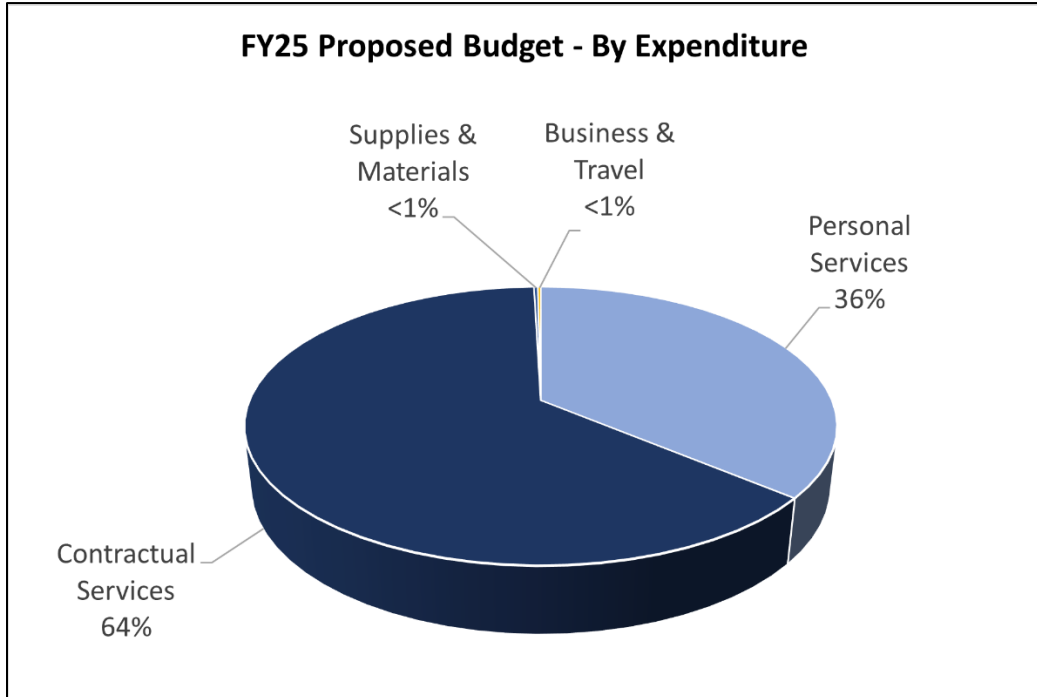
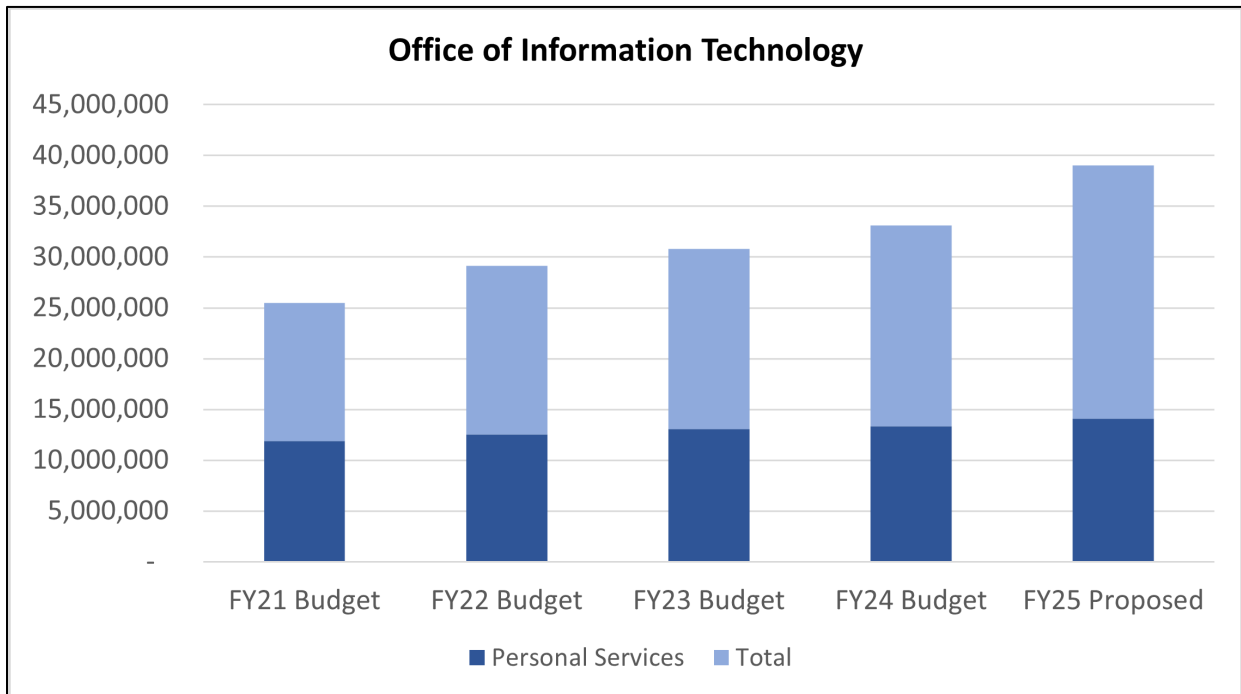
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| <b>Questions Sent to the Agency:</b>       | <b>May 4, 2024; May 10, 2024;<br/>May 15, 2024</b>         |
| <b>Responses Received from the Agency:</b> | <b>May 9, 2024; May 13, 2024;<br/>Waiting on Responses</b> |

**This analysis considers all agency responses.**

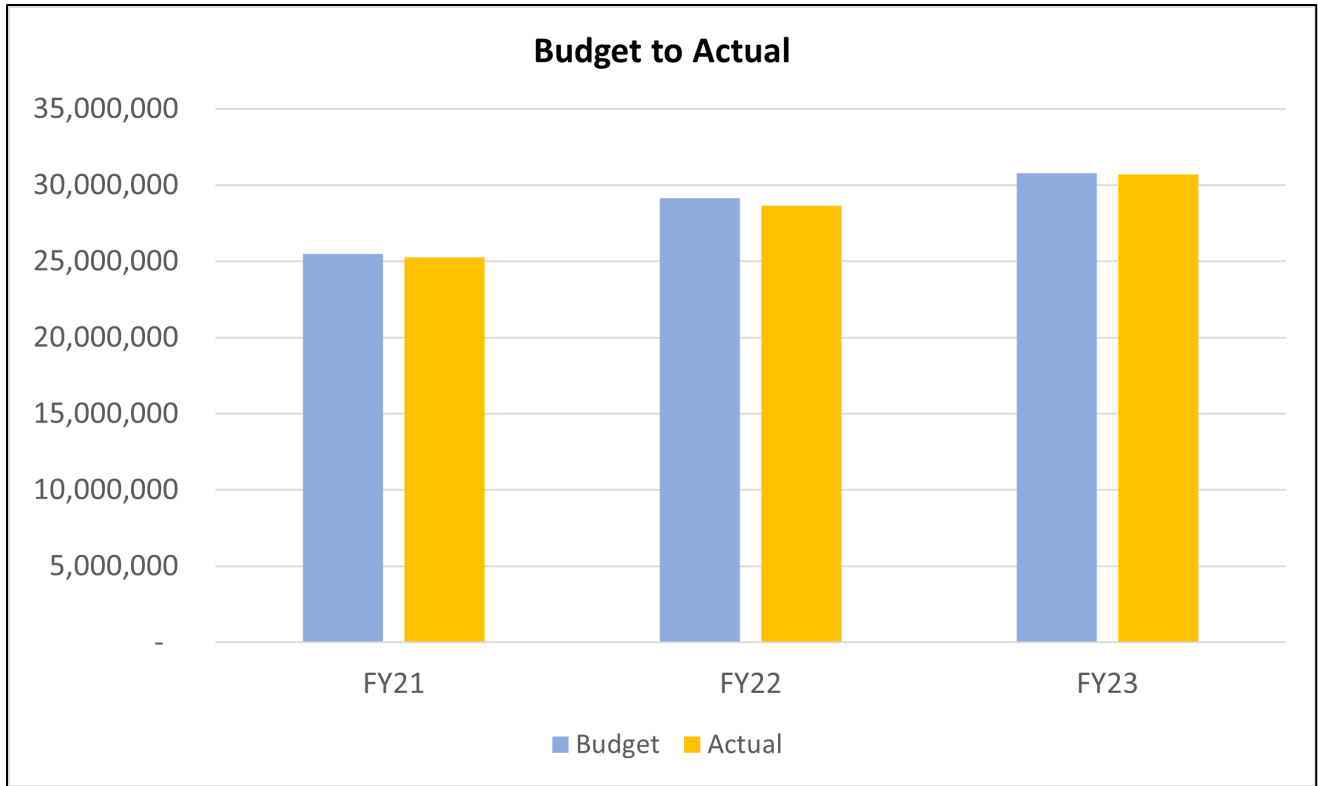


# Office of Information Technology

## Operating Budget Summary



Note: Chart data provided in the Appendix



Note: Chart data provided in the Appendix

## Proposed Budget Change

|                             |                      |
|-----------------------------|----------------------|
| <b>FY24 Budget</b>          | <b>\$ 33,131,600</b> |
| <b>FY25 Proposed Budget</b> | <b>\$ 39,052,700</b> |

| <b>Where It Goes – Highlighted Changes</b>   | <b>Change</b> |
|--|---------------|
| Personnel – pay package (cost of living and step/merit increase)   | 537,400       |
| Turnover – calculated based on averages, projections, and actuals by the Office of the Budget  | (500,000)     |
| Data Processing Software – software cost increases, including renewals   | 3,072,300     |
| Communication Services – public safety radio maintenance contract moved from capital to operating budget and increased coverage of public safety sites | 1,751,100     |
| Other Professional Services – vendor price increases for software, hardware, and project management support  | 385,700       |
| Data Processing Hardware – increase in body camera project costs   | 158,100       |

## Personnel Data

| Full-Time Equivalent Positions as of April 10, 2024 |             |             |             |               |              |
|---|-------------|-------------|-------------|---------------|--------------|
| Positions   | FY22 Actual | FY23 Actual | FY24 Actual | FY25 Proposed | FY24 v. FY25 |
| General Fund  | 93          | 93          | 93          | 93            | 0            |
| Filled  | 72          | 74          | 74          |               |              |
| Vacant  | 21          | 19          | 19          |               |              |

- **Three reclassifications are proposed –**
  - One vacant Info System Support Specialist position to Chief, Information Security, position, which is reclassifying this position from a NR-14 to NR-23 grade classification, due to increased needs in the security area.
  - One filled Systems Analyst position to Information Services Manager position, which is reclassifying this position from a NR-20 to NR-22 grade classification, in order to be more responsive to the needs and demands of departments in the County.
  - One vacant Data Base Administrator position to Programmer-Analyst II position based on departmental needs. This is a lateral reclassification of a NR-18 grade classification.

## Key Observations

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### Contractual Services:

1. **Data Processing Software** – The FY25 Proposed Current Expense Budget is requesting \$12,968,000 (a \$3,072,300 (31%) increase from the FY24 Approved Current Expense Budget of \$9,895,700). The Office of Information Technology (OIT) advised the price increase is attributed to licensed software renewals, such as financial management systems, graphic information systems, and cloud server services. OIT advised that original licenses are purchased under the Information Technology Enhance capital project (Project #C519600, p. 26 of the capital budget book). OIT has not provided adequate supporting documentation related to the licensed software increased request. We have an outstanding request as of May 15, 2024 (initially requested on May 4, 2024).

The FY25 Proposed Current Expense Budget also includes \$83,600 for unplanned services costs. According to OIT, they spent \$199,600 in FY23 and are estimating to spend \$165,000 in FY24 related to these costs. The Office of the County Auditor (OCA) is still determining how these unplanned services costs are utilized by OIT. We have outstanding questions as of May 15, 2024 (initially requested on May 4, 2024).

OCA is still in the process of clarifying how software is budgeted in OIT versus other County departments as we have noticed similar software budgeted in both for the FY25

Proposed Current Expense Budget. We have outstanding questions with OIT as of May 15, 2024 (initially requested on May 4, 2024).

- 2. Communication Services** – The FY25 Proposed Current Expense Budget is requesting \$2,916,500 (a \$1,751,100 (150%) increase from the FY24 Approved Current Expense Budget of \$1,165,400). This increase is attributed to maintenance of County radio communication devices utilized by public safety. OIT advised approximately \$1,350,000 of this budget increase was moved from the Public Safety Radio Sys Upg capital project (Project #F560700, p. 71 of the capital budget book) into the operating budget. In addition, OIT advised that the number of public safety sites where maintenance occurs increased from 10 to 22 sites and the cost associated with a full-time technician to perform preventative maintenance on the hardware attributes to the remaining budget increase. OIT has not provided adequate supporting documentation related to the radio communications services increase request. We have an outstanding request as of May 15, 2024 (initially requested on May 4, 2024).
  
- 3. Inadequate Supporting Documentation for Certain Increased Budget Requests** – Adequate supporting documentation for the following FY25 Proposed Current Expense Budget increases have not been provided to date (requested on May 15, 2024):
  - Other Professional Services – OIT advised that \$278,100 of the \$385,700 increase (amount requested for support) pertain to financial system support (\$42,200 increase), mainframe support (\$40,000 increase), and project management services (\$195,900 increase).
  - Data Processing Hardware – OIT advised that this includes a \$158,100 net increase in data processing hardware, which includes additional appropriations for the body camera project for the Police Department.

## Appendix: Chart Data

### Office of Information Technology Budget

|                        | <b>FY21 Budget</b> | <b>FY22 Budget</b> | <b>FY23 Budget</b> | <b>FY24 Budget</b> | <b>FY25 Proposed</b> |
|------------------------|--------------------|--------------------|--------------------|--------------------|----------------------|
| Personal Services      | 11,900,900         | 12,533,600         | 13,093,500         | 13,357,500         | 14,092,800           |
| Contractual Services   | 13,427,000         | 16,427,500         | 17,435,800         | 19,598,600         | 24,786,200           |
| Supplies & Materials   | 95,500             | 95,500             | 92,500             | 95,900             | 97,100               |
| Business & Travel      | 79,600             | 79,600             | 79,600             | 79,600             | 76,600               |
| Capital Outlay         | -                  | -                  | 84,900             | -                  | -                    |
| Grants, Contr. & Other | -                  | -                  | -                  | -                  | -                    |
| <b>Total</b>           | <b>25,503,000</b>  | <b>29,136,200</b>  | <b>30,786,300</b>  | <b>33,131,600</b>  | <b>39,052,700</b>    |

### FY25 Proposed Budget – By Expenditure

| <b>Object</b>          | <b>FY25 Proposed</b> |
|------------------------|----------------------|
| Personal Services      | 14,092,800           |
| Contractual Services   | 24,786,200           |
| Supplies & Materials   | 97,100               |
| Business & Travel      | 76,600               |
| Capital Outlay         | -                    |
| Grants, Contr. & Other | -                    |
| <b>Total</b>           | <b>39,052,700</b>    |

### Budget to Actual

|               | <b>FY21</b> | <b>FY22</b>   | <b>FY23</b>   |
|---------------|-------------|---------------|---------------|
| <b>Budget</b> | 25,503,000  | \$ 29,136,200 | \$ 30,786,300 |
| <b>Actual</b> | 25,260,231  | \$ 28,662,209 | \$ 30,719,337 |



Legislation Review

# Review of the Fiscal Year 2025 Proposed Current Expense Budget Office of Personnel

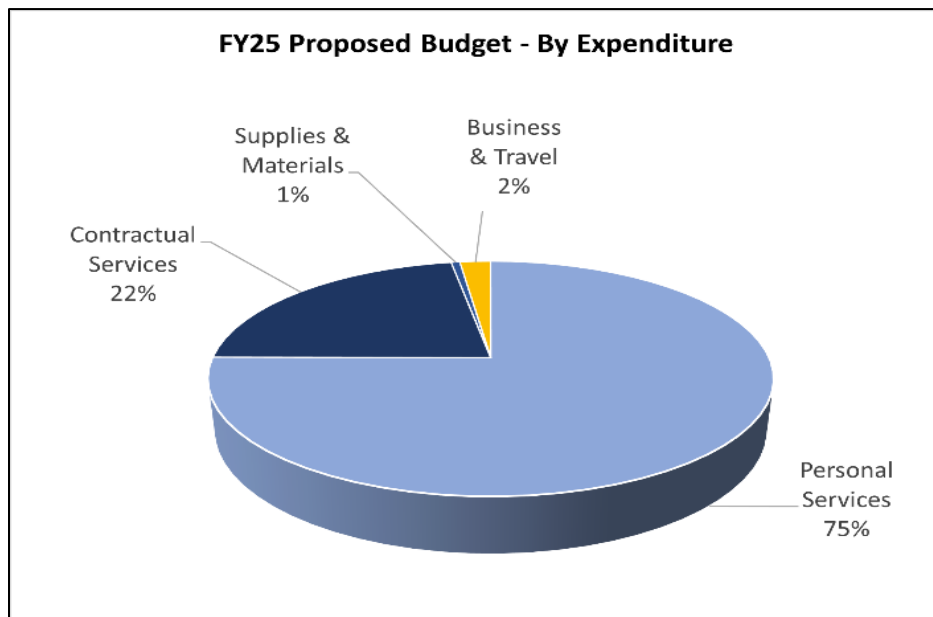
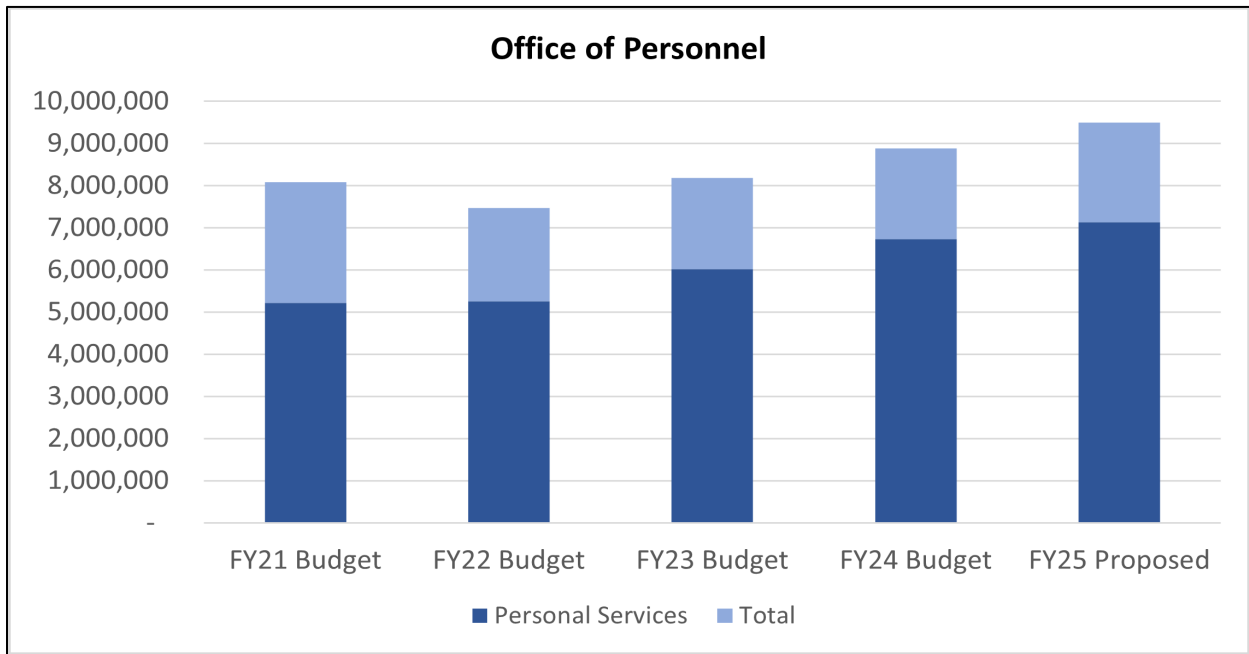
Report Date: May 20, 2024  
Hearing Date: May 21, 2024

|  |  |
|--|--|
| <b>Questions Sent to the Agency:</b>       | <b>May 4, 2024; May 8, 2024</b>              |
| <b>Responses Received from the Agency:</b> | <b>May 7, 2024; May 8, 2024; May 9, 2024</b> |

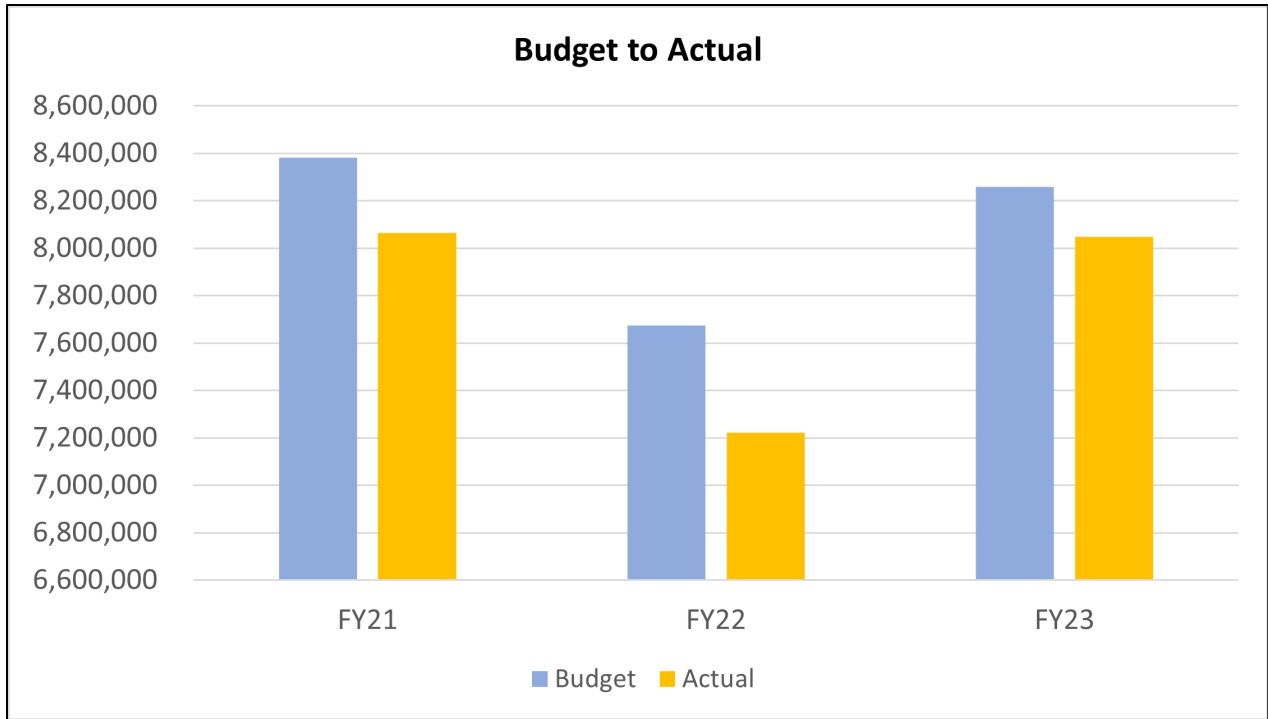
**This analysis considers all agency responses.**

## Office of Personnel

### Operating Budget Summary



Note: Chart data provided in Appendix 1



Note: Chart data provided in Appendix 1. Adjusted Budget includes supplemental appropriations of \$300,000 for FY21, \$200,000 for FY22, and \$75,000 for FY23 and, therefore, does not match the Original Budget used in Chart 1.



## Personnel Data

| <b>Full-Time Equivalent Positions as of April 10, 2024</b> |                    |                    |                    |                      |                     |
|--|--------------------|--------------------|--------------------|----------------------|---------------------|
| <b>Positions</b>   | <b>FY22 Actual</b> | <b>FY23 Actual</b> | <b>FY24 Actual</b> | <b>FY25 Proposed</b> | <b>FY24 v. FY25</b> |
| General Fund   | 41                 | 44                 | 45                 | 45                   | 0                   |
| Filled   | 38                 | 37                 | 41                 |                      |                     |
| Vacant   | 3                  | 7                  | 4                  |                      |                     |

- **A classification change is proposed.** The Human Resource Records Manager classification is being upgraded from a NR-16 to NR-18. The Office of Personnel (Personnel) advised that a study of the duties and responsibilities of the position determined that a grade reallocation was warranted. There is currently one position with the Human Resource Records Manager classification and it is currently filled.
- **Two reclassifications, both vacant positions, are proposed.** The following reclassifications proposed are to implement changes recommended by a consultant and by the Administration's Personnel Workgroup.
  - One vacant Office Support Assistant II position to an Assistant Personnel Officer position, reclassifying the position from a NR-7 to NR-22. This reclassification will be part of an office reorganization, which will add a third Assistant Personnel Officer to oversee the Class and Compensation Unit; whereas, currently one Assistant Personnel Officer is overseeing both the Class and Compensation Unit and the Employee Development and Evaluation Services Unit.
  - One vacant Office Support Specialist position to a Management Assistant I position, reclassifying the position from a NR-9 to NR-15. This reclassification is due to the duties changing to increased payroll processing responsibilities in order to support upgrades to the payroll system.

## Key Observations

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- 1. Contractual Services (Financial/Audit Services)** – The FY25 Proposed Current Expense Budget includes \$1,060,800 for the County payroll system, a \$103,100 (11%) increase over the FY24 Approved Current Expense Budget. The increase is attributed to the significant system upgrades that will enhance the operation and performance of the payroll system.
- 2. Contractual Services (Medical Services)** – The FY25 Proposed Current Expense Budget includes \$254,400 for certain medical testing of County employees (mainly in public safety departments) due to the increase in hiring and turnover, a \$43,400 (21%) increase over the FY24 Approved Current Expense Budget. These medical services cover the pre-employment medical, controlled substance, and psychological testing for new hires as well as additional controlled substance and fit-for-duty testing for existing employees. Since FY23, the hiring numbers are returning to pre-COVID levels, which is attributed to the increase in costs.
- 3. Contractual Services (Other Professional Services)** – The FY25 Proposed Current Expense Budget includes \$330,000 consisting of flexible spending account administrative costs (\$45,400) and arbitration and negotiation costs (\$284,600), a \$80,000 (32%) increase from the FY24 Approved Current Expense Budget. The increase reflects the historical spend of the arbitration and negotiation cost which, according to Personnel, has never been fully budgeted. Personnel advised that this increase is expected to aide in eliminating the need for future supplemental appropriations for these expenses.

## Office of Personnel (Non-Departmental)

### Employee Salary Changes

- The salary increases for County groups vary and below is a summary of the salary increases or average increase provided to County employee groups, the Department of Public Libraries (Library), Anne Arundel Community College (Community College), and Board of Education (BOE) teachers. Based on our review, the salary increases included in the FY25 Proposed Current Expense Budget follow all union agreements and include a 3% cost of living adjustment (COLA) and 3% merit for non-represented classified employees and exempt employees. For component unit increases, the Library's salary increase includes a 3% COLA and a market rate adjustment to be provided based on the determination of the Library. A portion of the Library's market rate adjustment was provided in FY24. The Community College increase includes a 6% average increase based on a salary pool methodology. The BOE teachers increase includes a 3% COLA and a step increase. We are still working with BOE to determine the average increase for one step increase for teachers and only the COLA of 3% is currently included in this salary increase chart.

| <b>Average % Increase to Salary by Group</b> |                                  |             |             |             |             |             |
|--|----------------------------------|-------------|-------------|-------------|-------------|-------------|
|  | <b>Employee Group</b>            | <b>FY21</b> | <b>FY22</b> | <b>FY23</b> | <b>FY24</b> | <b>FY25</b> |
| County                                       | Non-represented                  | 0.0%        | 4.5%        | 7.5%        | 8.0%        | 6.0%        |
| County                                       | AFSCME 2563                      | 5.0%        | 4.5%        | 8.0%        | 8.0%        | 6.0%        |
| County                                       | AFSCME 582                       | 5.0%        | 4.5%        | 8.0%        | 8.0%        | 6.0%        |
| County                                       | Correctional Program Specialists | 8.0%        | 4.5%        | 7.0%        | 8.0%        | 6.0%        |
| County                                       | Detention Officers & Corporals   | 6.0%        | 4.5%        | 7.5%        | 8.0%        | 7.0%        |
| County                                       | Detention Sergeants              | 7.0%        | 4.5%        | 7.0%        | 8.0%        | 6.0%        |
| County                                       | Fire                             | 9.0%        | 8.0%        | 8.5%        | 9.0%        | 7.0%        |
| County                                       | Fire Battalion Chief             | 5.0%        | 5.0%        | 8.0%        | 8.5%        | 7.0%        |
| County                                       | Park Rangers                     | 5.0%        | 4.5%        | 7.5%        | 8.0%        | 6.0%        |
| County                                       | Police (FOP)                     | 13.0%       | 5.0%        | 8.0%        | 9.5%        | 8.5%        |
| County                                       | Police Sergeants                 | 13.0%       | 5.0%        | 8.0%        | 9.5%        | 8.5%        |
| County                                       | Police Lieutenants               | 8.0%        | 5.0%        | 8.0%        | 9.5%        | 8.5%        |
| County                                       | Police Captains                  | 0.0%        | 5.0%        | 8.0%        | 9.5%        | 8.5%        |
| County                                       | Sheriff Deputies                 | 6.0%        | 4.5%        | 7.5%        | 8.0%        | 7.4%        |
| County                                       | Sheriff Sergeants                | 6.0%        | 6.0%        | 7.5%        | 8.0%        | 6.0%        |
| Library                                      | Library                          | 0.0%        | 4.5%        | 7.5%        | 8.0%        | 3.0%        |
| AACC   | AACC (Community College)         | 0.0%        | 5.0%        | 5.0%        | 10.0%       | 6.0%        |
| BOE  | Unit 1 - TAAAC (Teachers)        | 3.0%        | 3.0%        | 6.0%        | 8.0%        | 3.0%        |

## New Positions

- The FY25 Proposed Current Expense Budget includes 12 new general fund positions in 5 County departments. Below is a summary of these new general fund positions and the estimated costs of these positions, including recurring costs (such as, salary and benefits) and one-time costs (such as, computers, desks, uniforms, and vehicles). There is also one new position in the Garage Working Capital Fund (not shown in the summary of new general fund positions below).

Note: This summary does not include positions that are being transferred to the General Fund from other funds. We are still in the process of reviewing these transferred positions to understand the full number of positions being funded by the General Fund.

| Summary of New General Fund Positions |                                     |             |       |                    |                                  |                  |                   |                     |
|---------------------------------------|-------------------------------------|-------------|-------|--------------------|----------------------------------|------------------|-------------------|---------------------|
| DEPT                                  | Job Title                           | Salary Plan | Grade | Position Control # | Salary, FICA, Insurance, Pension | Ancillary Costs  | Vehicle Costs     | Grand Total         |
| AGE                                   | Program Specialist I                | NR          | 15    | 90002              | \$ 81,821                        | \$ -             | \$ -              | \$ 81,821           |
| POL                                   | Info System Support Specialist      | NR          | 14    | 90003              | \$ 78,237                        | \$ 5,000         | \$ -              | \$ 83,237           |
| POL                                   | Public Safety Analyst I             | LM          | 11    | 90004              | \$ 74,903                        | \$ 5,000         | \$ -              | \$ 79,903           |
| POL                                   | Public Safety Analyst I             | LM          | 11    | 90005              | \$ 74,903                        | \$ 5,000         | \$ -              | \$ 79,903           |
| POL                                   | Public Safety Analyst I             | LM          | 11    | 90006              | \$ 74,903                        | \$ 5,000         | \$ -              | \$ 79,903           |
| POL                                   | Senior Forensic Examiner            | NR          | 18    | 90008              | \$ 100,313                       | \$ 5,000         | \$ -              | \$ 105,313          |
| POL                                   | Police Sergeant                     | P           | 02    | 90007              | \$ 130,658                       | \$ 21,800        | \$ 62,600         | \$ 215,058          |
| CAO                                   | Exec Budget and Mgmt Analyst*       | EX          | 17    | 90012              | \$ 85,090                        | \$ -             | \$ -              | \$ 85,090           |
| RCP                                   | Management Assistant I**            | NR          | 15    | 90010              | \$ 81,821                        | \$ 400           | \$ -              | \$ 82,221           |
| RCP                                   | Park Ranger**                       | R           | 1     | 90009              | \$ 77,449                        | \$ 400           | \$ 55,520         | \$ 133,369          |
| RCP                                   | Assistant Facilities Superintendent | NR          | 16    | 90001              | \$ 87,529                        | \$ -             | \$ -              | \$ 87,529           |
| LEG                                   | Legislative Chief of Staff          | E           | 6     | 90013              | \$ 159,593                       | \$ -             | \$ -              | \$ 159,593          |
|                                       |                                     |             |       |                    | <b>\$ 1,107,221</b>              | <b>\$ 47,600</b> | <b>\$ 118,120</b> | <b>\$ 1,272,941</b> |

\*Although the salary and benefit costs for this position per the FY25 projected payroll is \$85,090 (as noted above), the Administration advised that there is currently a filled contractual position that will be converted to this full-time position and the anticipated salary and benefit costs will be \$102,700.

\*\*While these positions are anticipated to be filled in January 2025, the related costs above are full year costs and a portion of these full year costs were offset with an increased turnover reduction to the applicable department.

# Pension

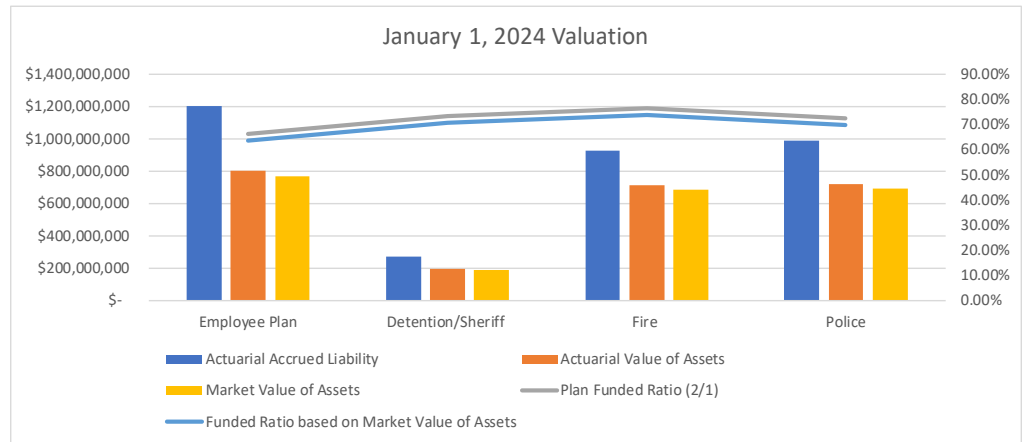
1. The funding method and actuarial assumptions were updated pursuant to the recommendations in the Experience Study Report dated November 14, 2022. Experience studies are performed every five years to review the assumptions and make change recommendations. These assumptions are used to determine pension plan costs based on long-term future outlook. Below is a summary of the updates that increased the actuarial accrued liability as of January 1, 2024 for each plan. There were no method or assumption changes since the prior valuation.

## Anne Arundel County Pension Valuation- By Plan January 1, 2024

|   | Employee Plan    | Detention/Sheriff | Fire           | Police         |
|---|------------------|-------------------|----------------|----------------|
| Actuarial Accrued Liability                       | \$ 1,204,249,573 | \$ 270,676,268    | \$ 929,818,889 | \$ 990,271,537 |
| Actuarial Value of Assets                         | \$ 802,410,416   | \$ 199,246,105    | \$ 713,457,437 | \$ 719,446,566 |
| Plan Funded Ratio (2/1)                           | 66.60%           | 73.60%            | 76.70%         | 72.70%         |
| Market Value of Assets                            | \$ 768,217,898   | \$ 191,259,963    | \$ 686,216,748 | \$ 691,098,519 |
| Funded Ratio based on Market Value of Assets      | 63.80%           | 70.70%            | 73.80%         | 69.80%         |
| <b>Market Value Percent change over last year</b> | 9.10%            | 11.20%            | 10.80%         | 11.40%         |

### Methods & Assumptions:

- 7% discount/long term investment return rates
- 3% payroll growth
- 3% inflation
- 3% Retiree COLA
- 5-year smoothing



Note: A comprehensive overview of all assumptions may be found in each Plan's valuation

## Other Post-Employment Benefits

1. Current and historic funding levels for the County's Other Post-Employment Benefits (OPEB) Trust for the General County Government (does not include the component units) are listed in the chart below. This follows the OPEB policy and uses the same methods and assumptions as last year to determine the Actuarial Determined Contribution. Based on the OPEB FY23 Annual report, the County's total OPEB liability is \$692,399,000 and the asset was \$458,065,000. This leaves a net OPEB liability of approximately \$234,334,000. The decrease in the total liability for FY23 (Actual) and FY24 (Projected) from FY22 is due to a significant decrease in the total premium for Medicare-eligible retirees due to a change in Medicare coverage and a new claims processing vendor. The projected total liability for FY24 is \$655,503,000 and the \$466,355,000 funded portion estimate would bring the estimated funding to 71%.

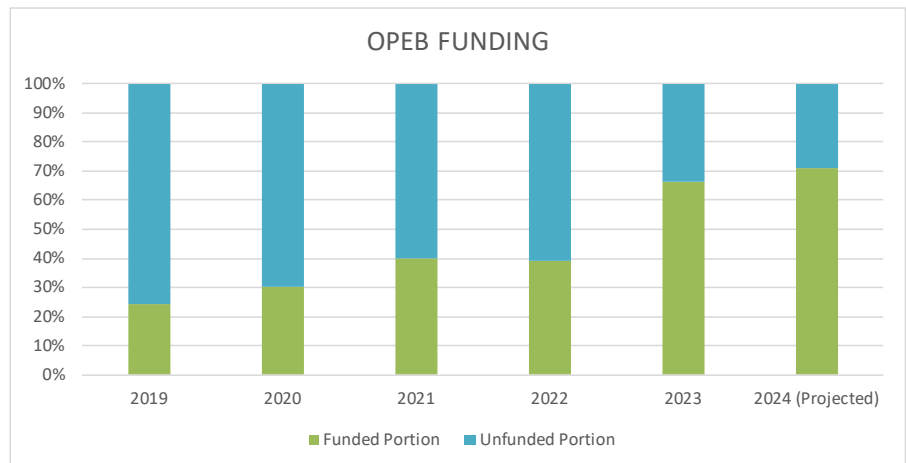
### Other Post-Employment Benefits (OPEB)

|                      | 2019       | 2020       | 2021       | 2022       | 2023       | 2024<br>(Projected) |
|----------------------|------------|------------|------------|------------|------------|---------------------|
| Total OPEB Liability | \$ 746,099 | \$ 826,141 | \$ 922,824 | \$ 968,645 | \$ 692,399 | \$ 655,503          |
| Funded Portion       | \$ 180,303 | \$ 249,106 | \$ 370,969 | \$ 378,345 | \$ 458,065 | \$ 466,355          |
| Unfunded Portion     | \$ 565,796 | \$ 577,035 | \$ 551,855 | \$ 590,300 | \$ 234,334 | \$ 189,148          |
| Funded %             | 24%        | 30%        | 40%        | 39%        | 66%        | 71%                 |
| Unfunded %           | 76%        | 70%        | 60%        | 61%        | 34%        | 29%                 |

*Figures provided in thousands*

#### Methods & Assumptions:

- 6.30% discount/long term investment return rates
- 90% target funding levels
- 20-year target period to reach the goal level (7/1/2040)
- Open group valuation (including future hires)
- 3% payroll growth



**2. FY25 assumptions and proposed changes** – This is a list of FY25 assumptions and proposed changes for the County Health Trust (Trust).

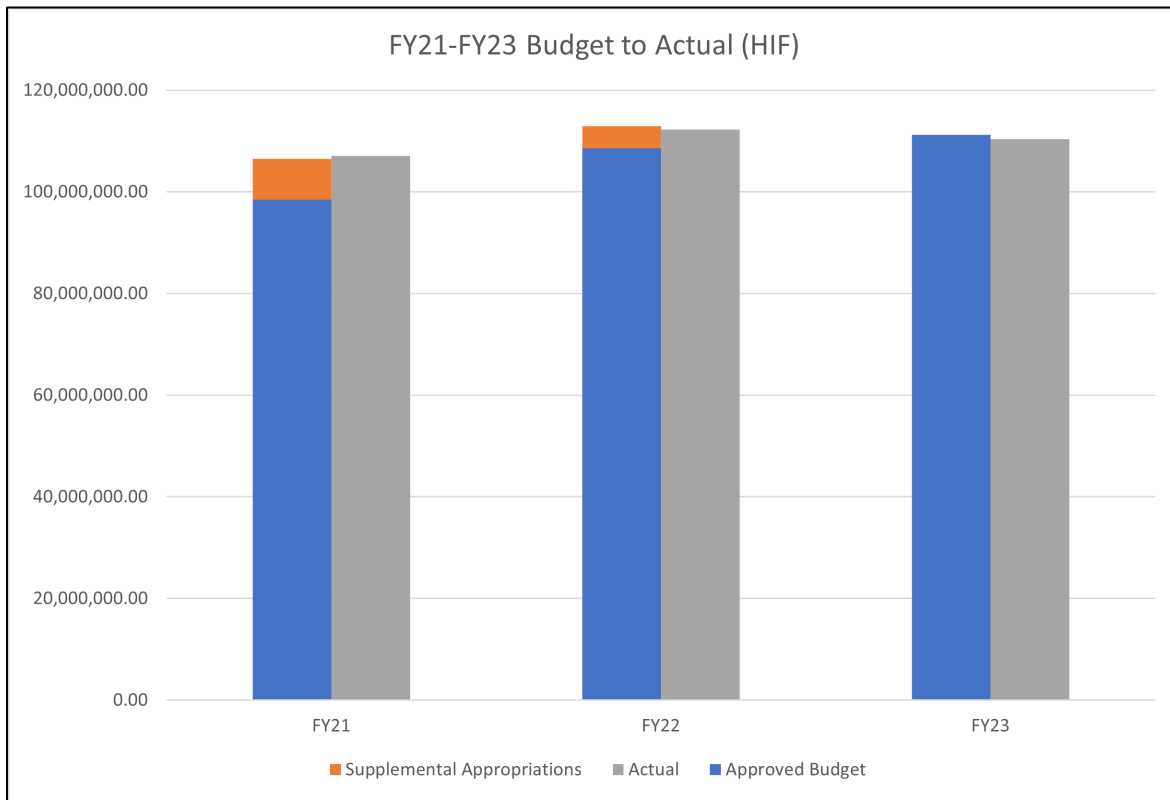
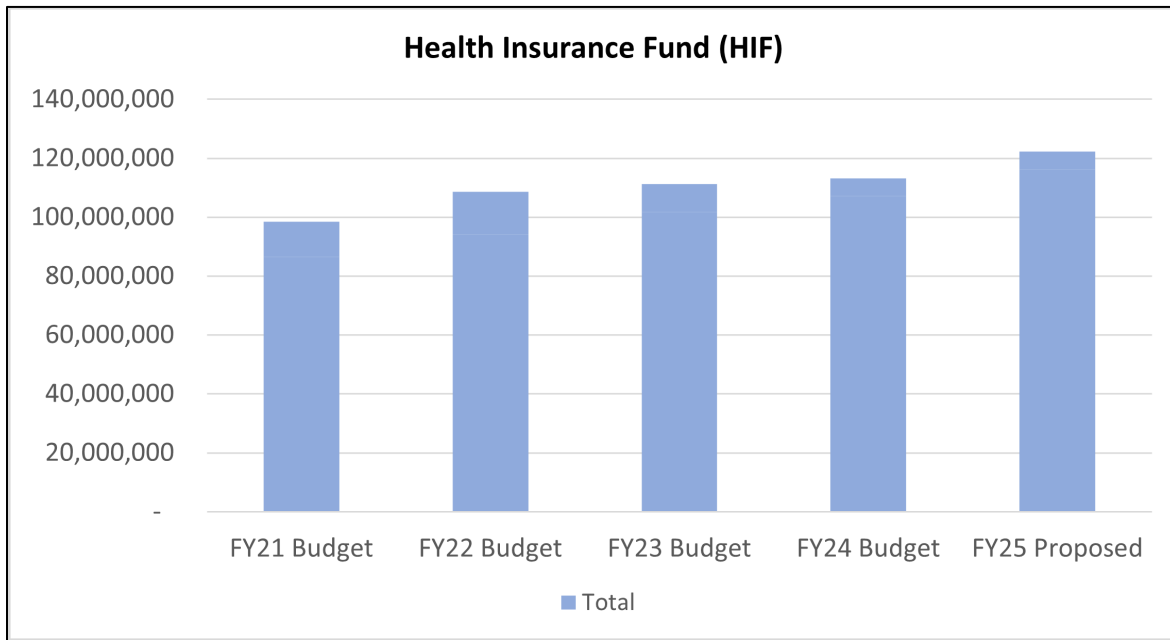
- The Trust will continue to pay the past service liabilities for Library and Community College. Past service liabilities are the cost of current employees who will receive benefits upon retirement.
- The Trust now also includes BOE employees as the County began paying their past service liabilities in FY24 when the County contributed \$19,230,000 to the Trust for BOE employees (see details below regarding the fiscal impact of adding BOE’s past service liability to the Trust).
- These institutions will continue to fund the PAYGO amounts required to cover existing retirees.
- The Administration’s plan is to still reach its 90% funding goal by 2040 for County employees.
- A new valuation of the Trust will be completed in January 2025 for FY26 and FY27.

**3. Fiscal impact of adding BOE to the trust** – At the time Bill 10-24 was adopted by the County Council in March 2024, which allowed for BOE to be added to the Trust, the fiscal impact was unknown. The Administration had indicated that an actuarial study to determine the long-term impact of a pooling agreement with BOE would be completed. The Administration subsequently obtained an actuarial study based on July 1, 2022 BOE participant data, which indicates that the long-term impact is an additional \$751,106,748 in County contributions during the 30-year target period (FY25 to FY54). The FY25 Proposed Current Expense Budget includes a County contribution of \$24,963,600 to the Trust on behalf of BOE and in agreement with the actuarial study. The actuarial study generally used similar methods and assumptions as the County for its employees, including:

- 90% target funding levels,
- 30-year target period (rather than the 20-year target period used for County employees),
- 3% payroll growth,
- 6% discount/long-term investment return rates, and
- Open group valuation (including future hires).

## Office of Personnel - Health Insurance Fund (HIF)

### Operating Budget Summary



Note: Chart data provided in Appendix 2. Chart shows supplemental appropriations of \$8,000,000 for FY21 and \$4,300,000 for FY22.



## Key Observations

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- 1. Personal Services (Insurance)** – The Administration advised that the FY25 Proposed Current Expense Budget includes a placeholder for a 6% health insurance rate increase on January 1, 2025. The consulting report recommends a rate increase of 8.5%; however, this report assumed fully budgeting rebate revenue. The Administration has historically over-achieved in rebate revenue, due to the practice of underbudgeting revenue, therefore, the Administration advised that it anticipates the Health Insurance Fund will be able to implement a smaller increase in rates due to additional rebate revenue. The proposed budget includes \$116,305,000 for health insurance claim costs, a \$9,121,400 (9%) increase from the FY24 Approved Current Expense Budget.

The Administration advised that a FY24 fourth quarter supplemental appropriation will be requested for approximately \$1,900,000 related to additional health claims expenditures.

## Appendix 1: Chart Data

### Office of Personnel Budget

|                      | FY21 Budget      | FY22 Budget      | FY23 Budget      | FY24 Budget      | FY25 Proposed    |
|----------------------|------------------|------------------|------------------|------------------|------------------|
| Personal Services    | 5,220,600        | 5,253,300        | 6,015,600        | 6,729,400        | 7,129,300        |
| Contractual Services | 2,564,900        | 1,909,400        | 1,892,400        | 1,894,300        | 2,112,900        |
| Supplies & Materials | 83,200           | 83,200           | 64,700           | 56,000           | 56,000           |
| Business & Travel    | 211,900          | 226,900          | 210,600          | 203,000          | 198,600          |
| <b>Total</b>         | <b>8,080,600</b> | <b>7,472,800</b> | <b>8,183,300</b> | <b>8,882,700</b> | <b>9,496,800</b> |

### Proposed FY25 Budget by Expenditure Type

| Object                 | FY25 Proposed    |
|------------------------|------------------|
| Personal Services      | 7,129,300        |
| Contractual Services   | 2,112,900        |
| Supplies & Materials   | 56,000           |
| Business & Travel      | 198,600          |
| Capital Outlay         | -                |
| Grants, Contr. & Other | -                |
| <b>Total</b>           | <b>9,496,800</b> |

### FY21-FY23 Budget to Actual

|               | FY21      | FY22         | FY23         |
|---------------|-----------|--------------|--------------|
| <b>Budget</b> | 8,380,600 | \$ 7,672,800 | \$ 8,258,300 |
| <b>Actual</b> | 8,064,763 | \$ 7,222,326 | \$ 8,047,707 |

Budget includes supplemental appropriations of \$300,000 for FY21, \$200,000 for FY22, and \$75,000 for FY23 and, therefore, does not match the Original Budget used in Chart 1.

## Appendix 2: Chart Data

### Health Insurance Fund (HIF) Budget (Expenditures)

|                        | FY21 Budget       | FY22 Budget        | FY23 Budget        | FY24 Budget        | FY25 Proposed      |
|------------------------|-------------------|--------------------|--------------------|--------------------|--------------------|
| Personal Services      | 86,512,600        | 94,160,700         | 101,864,600        | 107,183,600        | 116,305,000        |
| Contractual Services   | 987,300           | 912,300            | 866,900            | 911,900            | 971,100            |
| Supplies & Materials   | 46,900            | 46,900             | 19,600             | 20,100             | 17,900             |
| Business & Travel      | 4,100             | 4,100              | 3,800              | 2,800              | 2,600              |
| Capital Outlay         | -                 | -                  | -                  | -                  | -                  |
| Grants, Contr. & Other | 10,945,400        | 13,453,400         | 8,430,000          | 4,997,900          | 5,066,000          |
| <b>Total</b>           | <b>98,496,300</b> | <b>108,577,400</b> | <b>111,184,900</b> | <b>113,116,300</b> | <b>122,362,600</b> |

### FY21-FY23 Budget to Actual – HIF (Expenditures)

|                                    | FY21        | FY22        | FY23        |
|------------------------------------|-------------|-------------|-------------|
| <b>Approved Budget</b>             | 98,496,300  | 108,577,400 | 111,184,900 |
| <b>Supplemental Appropriations</b> | 8,000,000   | 4,300,000   | -           |
| <b>Actual</b>                      | 107,080,884 | 112,256,257 | 110,351,149 |

Chart shows supplemental appropriations of \$8,000,000 for FY21 and \$4,300,000 for FY22.



Legislation Review

# Review of the Fiscal Year 2025 Proposed Current Expense Budget Office of the Sheriff

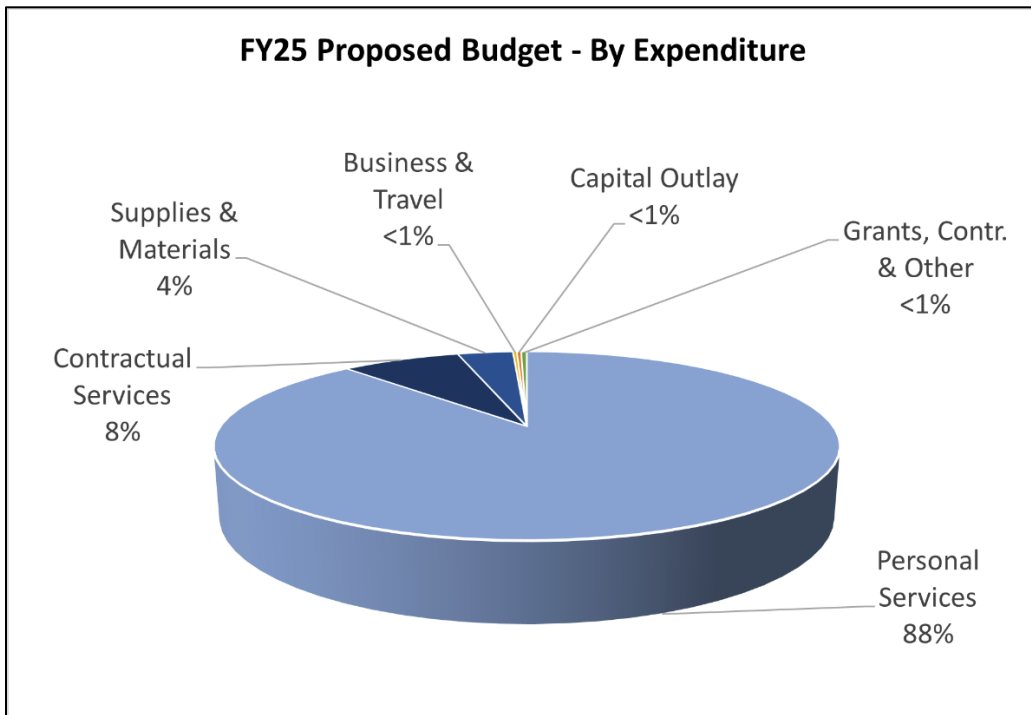
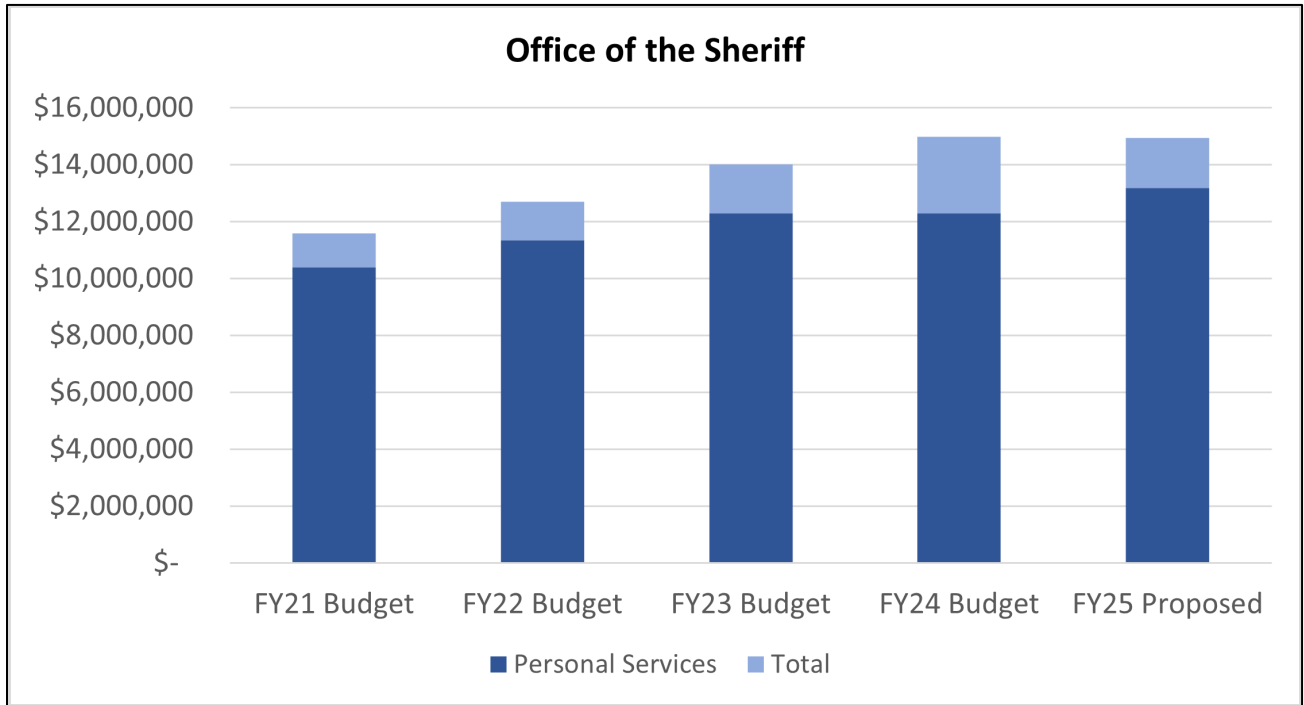
Report Date: May 22, 2024  
Hearing Date: May 23, 2024

|  |   |
|--|---|
| <b>Questions Sent to the Agency:</b>       | <b>May 5, 2024; May 14, 2024</b>              |
| <b>Responses Received from the Agency:</b> | <b>May 8, 2024; May 9, 2024; May 17, 2024</b> |

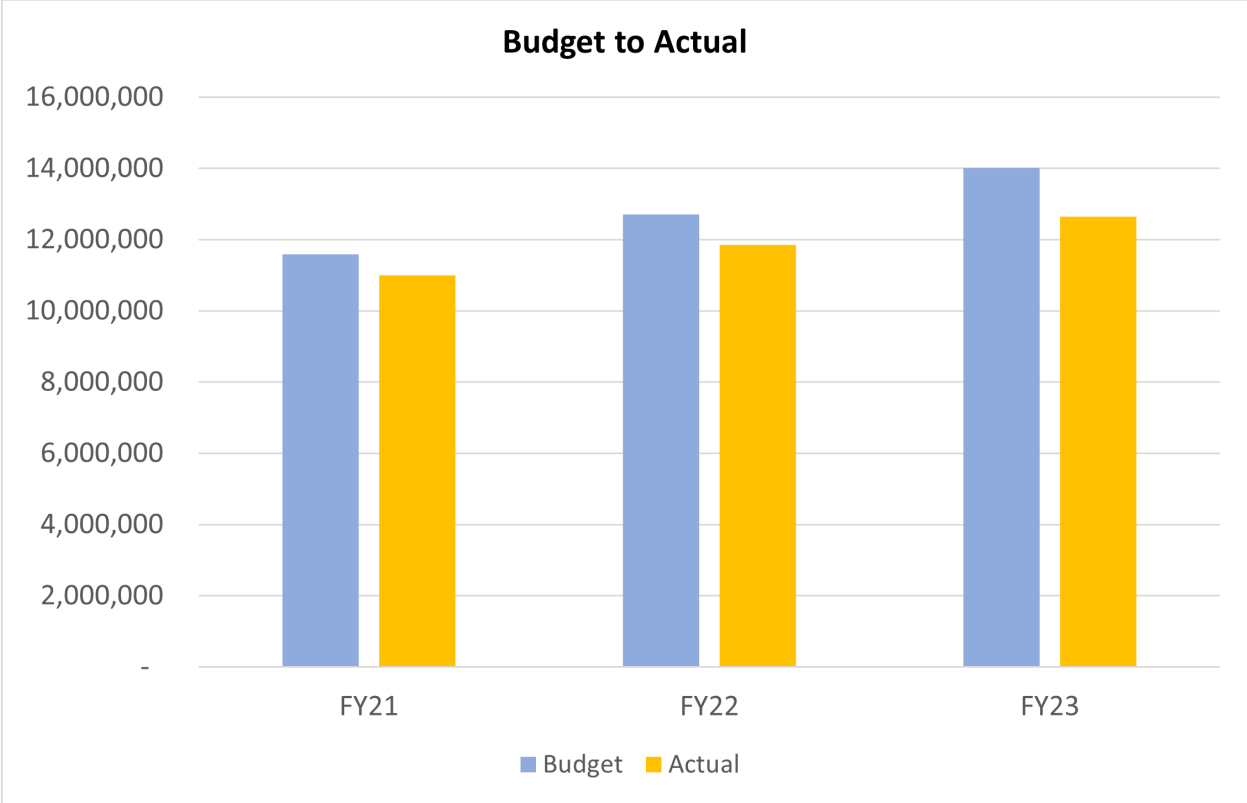
**This analysis considers all agency responses.**

# Office of the Sheriff

## Operating Budget Summary



Note: Chart data provided in Appendix



Note: Chart data provided in Appendix

## Personnel Data

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| <b>Full-Time Equivalent Positions as of April 10, 2024</b> |                    |                    |                    |                      |                     |
|--|--------------------|--------------------|--------------------|----------------------|---------------------|
| <b>Positions</b>   | <b>FY22 Actual</b> | <b>FY23 Actual</b> | <b>FY24 Actual</b> | <b>FY25 Proposed</b> | <b>FY24 v. FY25</b> |
| General Fund   | 115                | 117                | 117                | 118.34               | 1.34                |
| Filled   | 98                 | 94                 | 97                 |                      |                     |
| Vacant   | 17                 | 23                 | 20                 |                      |                     |

- Increase in general fund positions** – One filled Office Support Specialist position (OS-6 grade) and one filled Crime Analyst position (OS-11 grade) are being transferred from grant funded positions to general fund positions at a cost of approximately \$208,400 (salaries and benefits). Also, one filled Office Support Specialist position (OS-6 grade), which was previously 100% funded by the General Fund, will now be partially (34%) funded by the General Fund (cost of approximately \$30,400).
- Nine grade reallocations, all filled positions, are proposed** – Nine Sheriff Communication Operator positions are being reallocated from a LM-6 to LM-8. The Office of the Sheriff (Sheriff) advised that the reallocation is to reflect equivalent positions within the Police Department. There is no change in the job description for the Sheriff Communication Operator position.

## Key Observations

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- 1. Personal Services (Contractual Pay)** – The FY25 Proposed Current Expense Budget includes \$215,400 for security at the entry points of the Circuit Court building, a \$189,000 (716%) increase over the FY24 approved budget of \$26,400. The increase is attributed to the six new contractual positions (three Sheriff Court Officers and three Sheriff Cadets) to be hired to assist with armed security at the two entry points at the Circuit Court building. The new Sheriff Court Officer contractual positions will be certified by the Maryland State Police as special police officers, which is the same classification as the Bailiff position at the District Court of Maryland. These positions also will have arrest powers. The new Sheriff Cadet contractual positions will be added to compliment the sworn staff and will pursue a career in law enforcement once they have met the age requirement (21 years of age). Sheriff advised that these new contractual positions will allow for the reallocation of sworn personnel (Deputy Sheriff) to active courtrooms.
- 2. Supplies and Materials (Ammunition & Firearms)** – The FY25 Proposed Current Expense Budget, includes \$195,200 for ammunition and firearms maintenance and supplies, new firearms, and the annual lease payment for tasers; a \$98,300 (101%) increase over the FY24 approved budget of \$96,900. The increase is attributed to the anticipated purchase of 70 new firearms, electronic optics systems for firearms, and holsters to replace all current issued firearms. Sheriff advised that they are implementing the use of a new electronic optics systems for firearms to align with the firearms qualification requirements while participating in training at the County Police Academy. However, the new electronic optics systems for firearms are not compatible with their current issued firearms, thus the need for new firearms and related equipment.
- 3. Capital Outlay (Automotive Equipment and Miscellaneous Equipment)** - The FY25 Proposed Current Expense Budget includes \$40,500 for automotive equipment (\$23,000) and miscellaneous equipment (\$17,500), a \$910,000 (98%) and a \$81,500 (82%) decrease, respectively, from the FY24 approved budget of \$1,032,000. The FY24 approved budget included one-time funding for automotive equipment and miscellaneous equipment (such as, radio equipment) that was related to the purchase and outfitting of 14 new vehicles.



## Appendix: Chart Data

### Office of the Sheriff Budget

|                        | <b>FY21 Budget</b> | <b>FY22 Budget</b> | <b>FY23 Budget</b> | <b>FY24 Budget</b> | <b>FY25 Proposed</b> |
|------------------------|--------------------|--------------------|--------------------|--------------------|----------------------|
| Personal Services      | 10,405,800         | 11,357,000         | 12,301,700         | 12,306,600         | 13,180,700           |
| Contractual Services   | 715,200            | 769,200            | 875,800            | 1,229,300          | 1,118,800            |
| Supplies & Materials   | 252,500            | 328,600            | 315,700            | 332,700            | 521,400              |
| Business & Travel      | 26,600             | 46,500             | 26,600             | 30,700             | 36,800               |
| Capital Outlay         | 35,000             | 41,000             | 329,000            | 1,032,000          | 40,500               |
| Grants, Contr. & Other | 160,000            | 160,000            | 160,000            | 53,400             | 53,400               |
| <b>Total</b>           | <b>11,595,100</b>  | <b>12,702,300</b>  | <b>14,008,800</b>  | <b>14,984,700</b>  | <b>14,951,600</b>    |

### FY25 Proposed Budget – By Expenditure

| <b>Object</b>          | <b>FY25 Proposed</b> |
|------------------------|----------------------|
| Personal Services      | 13,180,700           |
| Contractual Services   | 1,118,800            |
| Supplies & Materials   | 521,400              |
| Business & Travel      | 36,800               |
| Capital Outlay         | 40,500               |
| Grants, Contr. & Other | 53,400               |
| <b>Total</b>           | <b>14,951,600</b>    |

### FY21-FY23 Budget to Actual

|               | <b>FY21</b> | <b>FY22</b> | <b>FY23</b> |
|---------------|-------------|-------------|-------------|
| <b>Budget</b> | 11,595,100  | 12,702,300  | 14,008,800  |
| <b>Actual</b> | 11,002,470  | 11,848,716  | 12,650,139  |



Legislation Review

# Review of the Fiscal Year 2025 Proposed Current Expense Budget Office of Transportation

Report Date: May 20, 2024

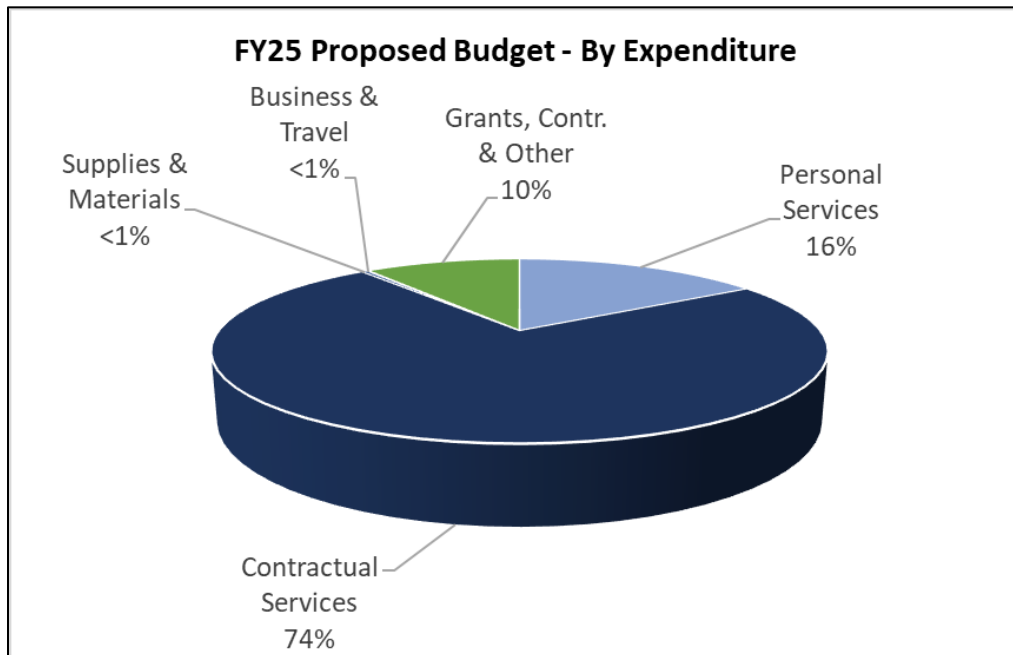
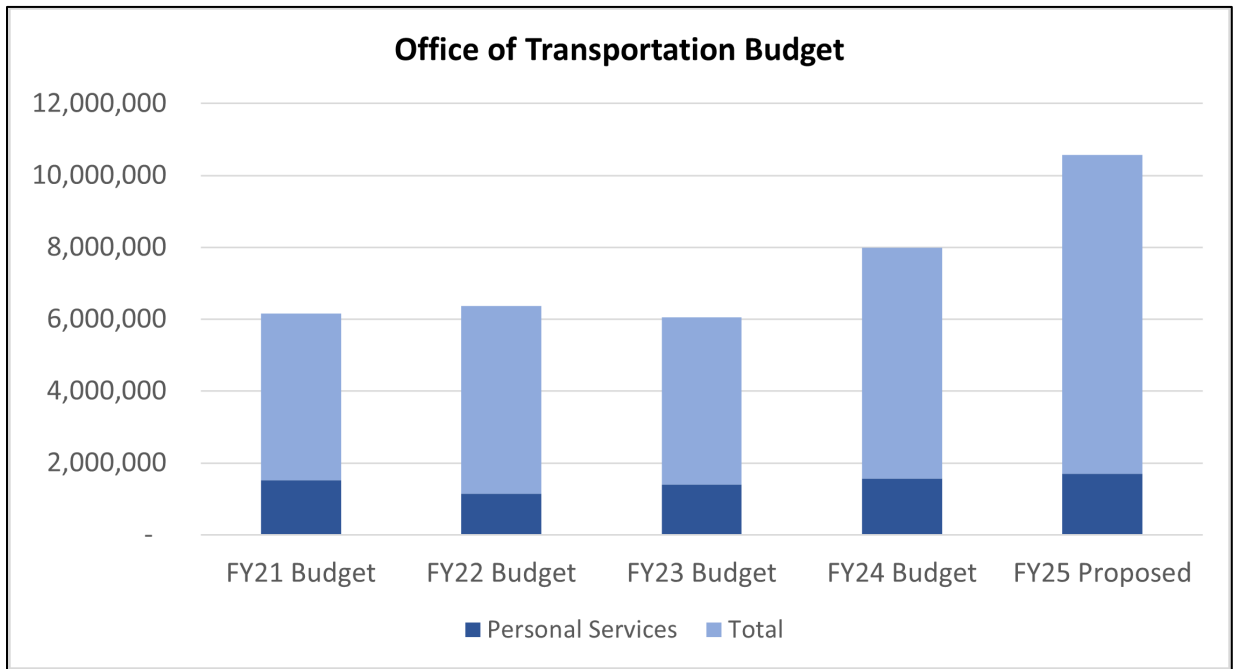
Hearing Date: May 21, 2024

|  |                                  |
|--|----------------------------------|
| <b>Questions Sent to the Agency:</b>       | <b>May 1, 2024; May 16, 2024</b> |
| <b>Responses Received from the Agency:</b> | <b>May 7, 2024; May 17, 2024</b> |

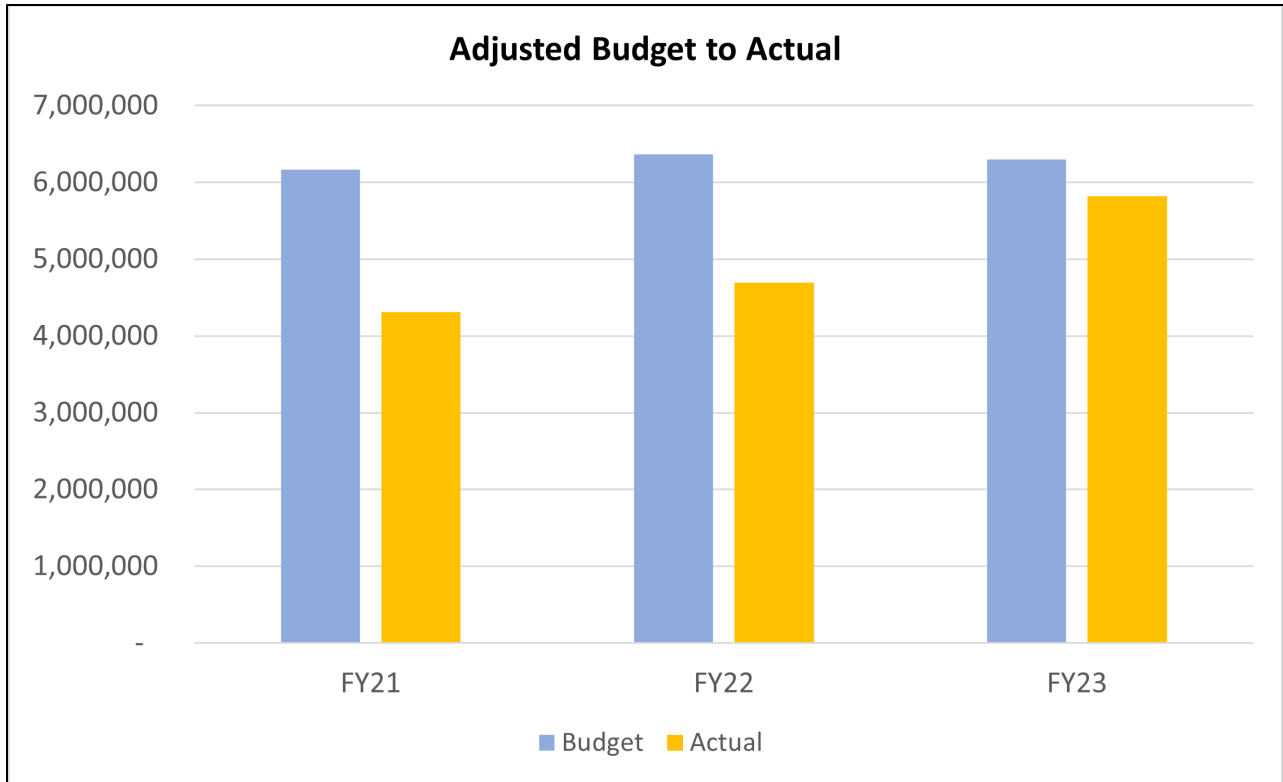
**This analysis considers all agency responses.**

# Office of Transportation

## Operating Budget Summary



Note: Chart data is provided in Appendix



Note: Chart data is provided in Appendix. Adjusted budget includes supplemental appropriation of \$252,400 in FY23 and, therefore, does not match the Original Budget used in Chart 1.

## Proposed Budget Change

|                             |                     |
|-----------------------------|---------------------|
| <b>FY24 Budget</b>          | <b>\$7,988,400</b>  |
| <b>FY25 Proposed Budget</b> | <b>\$10,574,200</b> |

| <b>Where It Goes – Highlighted Changes</b>   | <b>Change</b> |
|--|---------------|
| Personnel - pay package (cost of living and step/merit increase)   | 91,100        |
| Insurance - due to increases in vehicle purchase and repair costs as well as impact of distracted driving                                  | 146,800       |
| Contract costs increase for fixed and paratransit transit services due to federal grant ending   | 2,028,200     |
| New rider facing app that connects riders with drivers   | 64,900        |
| Vehicle maintenance cost increases due to adding 6 vehicles to the Office's fleet to serve as spares if other vehicles require maintenance | 273,000       |
| Vehicle fleet operating cost increase adjustment   | 252,700       |
| Less County grant match funding required due to fewer grants   | (281,900)     |

## Personnel Data

| <b>Full-Time Equivalent Positions as of April 10, 2024</b> |                    |                    |                    |                      |                     |
|--|--------------------|--------------------|--------------------|----------------------|---------------------|
| <b>Positions</b>   | <b>FY22 Actual</b> | <b>FY23 Actual</b> | <b>FY24 Actual</b> | <b>FY25 Proposed</b> | <b>FY24 v. FY25</b> |
| General Fund   | 7                  | 10                 | 10                 | 10                   | 0                   |
| Filled   | 7                  | 8                  | 10                 |                      |                     |
| Vacant   | 0                  | 2                  | 0                  |                      |                     |

- **No new positions or reclassifications are proposed.**

## Key Observations and Recommendations

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1. **New Transportation Network Service Assessment Fee Revenue** – Bill 39-23 established a transportation network service assessment of \$0.25 per trip originating in the County, excluding those originating in the City of Annapolis. This fee took effect January 1, 2024, and the Office of Transportation’s FY25 Proposed Current Expense Budget reflects \$500,000 in anticipated revenue from this new fee to support transportation operations.
2. **Change in Calculation Assumptions – Transit Services Agreement** – The FY25 Proposed Current Expense Budget provides \$5,088,600, a \$2,028,200 (66%) increase, for the County’s bus transportation service contract. In prior years, the Office of Transportation used Coronavirus Aid, Relief, and Economic Security Act (GTR10002-Covid-19 Transportation) funding to offset these costs, including \$1,837,900 in FY22, \$2,598,600 in FY23, and an estimated \$307,000 in FY24.

The FY25 Proposed Current Expense Budget makes several assumptions about the bus service contract costs, including no federal grant funding will be available, a 3% contract rate increase will be approved for January-June 2025, and that the highest monthly payment in the first-half of FY24 should be used to estimate costs. **We recommend a \$215,000 reduction to reflect a 2.2% rate increase starting January 2025, consistent with this year, and use of the average monthly contract cost to estimate costs.**

## Appendix: Chart Data

### Office of Transportation Budget

|                        | FY21 Budget      | FY22 Budget      | FY23 Budget      | FY24 Budget      | FY25 Proposed     |
|------------------------|------------------|------------------|------------------|------------------|-------------------|
| Personal Services      | 1,514,800        | 1,139,800        | 1,406,600        | 1,571,400        | 1,696,400         |
| Contractual Services   | 4,223,200        | 4,444,200        | 3,624,300        | 5,020,900        | 7,762,900         |
| Supplies & Materials   | 16,700           | 16,700           | 15,100           | 37,600           | 38,200            |
| Business & Travel      | 10,900           | 10,900           | 10,900           | 10,900           | 11,000            |
| Capital Outlay         | -                | -                | -                | -                | -                 |
| Grants, Contr. & Other | 400,100          | 754,500          | 992,400          | 1,347,600        | 1,065,700         |
| <b>Total</b>           | <b>6,165,700</b> | <b>6,366,100</b> | <b>6,049,300</b> | <b>7,988,400</b> | <b>10,574,200</b> |

### FY25 Proposed Budget - By Expenditure

| Object                 | FY25 Proposed     |
|------------------------|-------------------|
| Personal Services      | 1,696,400         |
| Contractual Services   | 7,762,900         |
| Supplies & Materials   | 38,200            |
| Business & Travel      | 11,000            |
| Grants, Contr. & Other | 1,065,700         |
| <b>Total</b>           | <b>10,574,200</b> |

### FY21-FY23 Adjusted Budget\* to Actual

|               | FY21      | FY22      | FY23      |
|---------------|-----------|-----------|-----------|
| <b>Budget</b> | 6,165,700 | 6,366,100 | 6,301,700 |
| <b>Actual</b> | 4,314,648 | 4,696,392 | 5,819,525 |

\*Adjusted Budget includes supplemental appropriations of \$252,400 for FY23 and, therefore, does not match the Original Budget used in Chart 1.



Legislation Review

# Review of the Fiscal Year 2025 Proposed Current Expense Budget Police Department

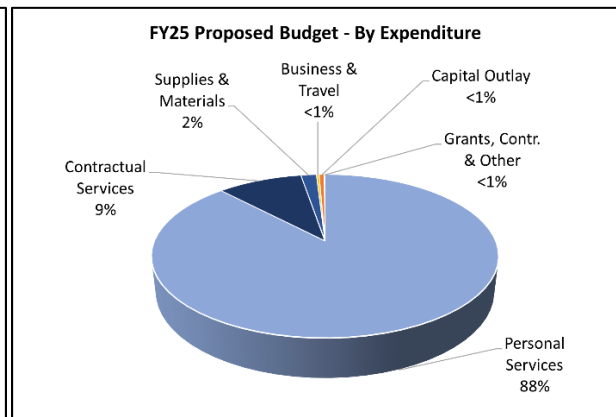
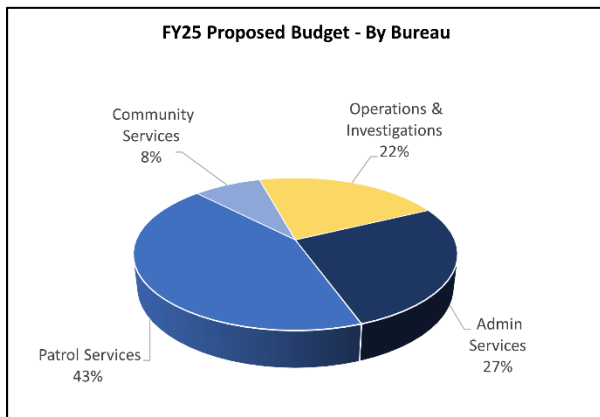
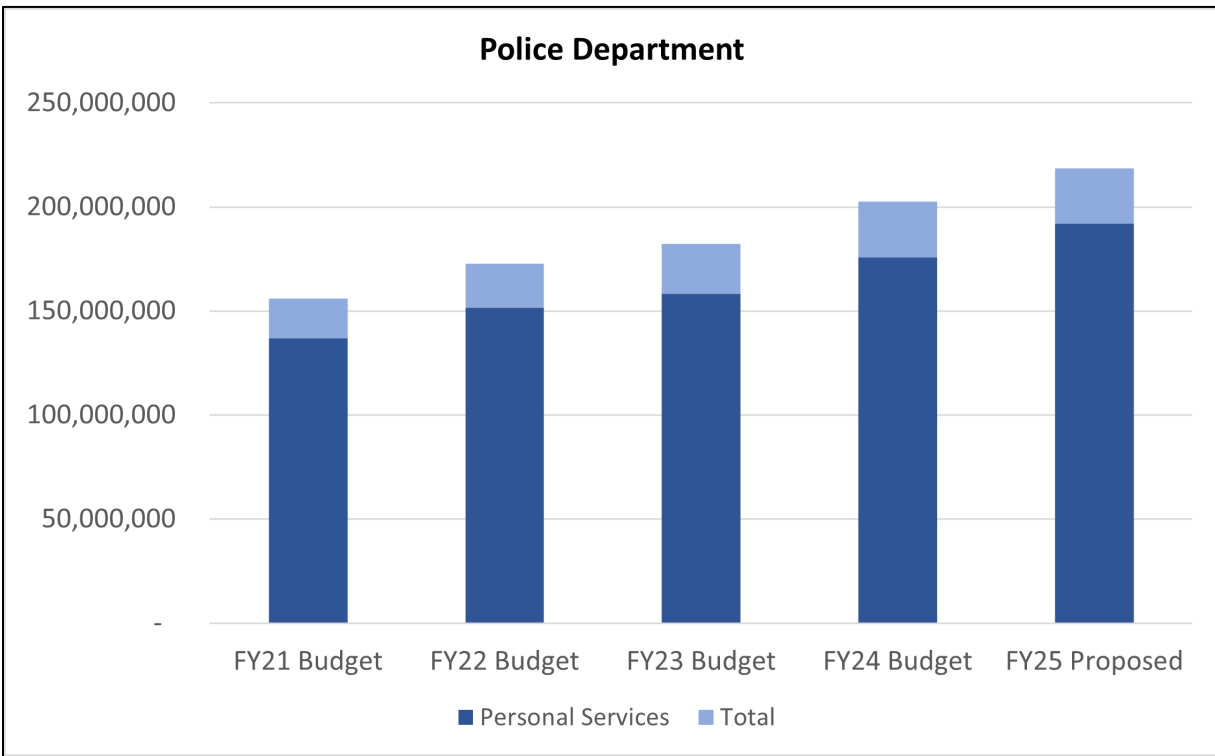
Report Date: May 22, 2024  
Hearing Date: May 23, 2024

|  |                                  |
|--|----------------------------------|
| <b>Questions Sent to the Agency:</b>       | <b>May 3, 2024; May 14, 2024</b> |
| <b>Responses Received from the Agency:</b> | <b>May 7, 2024; May 16, 2024</b> |

**This analysis considers all agency responses.**

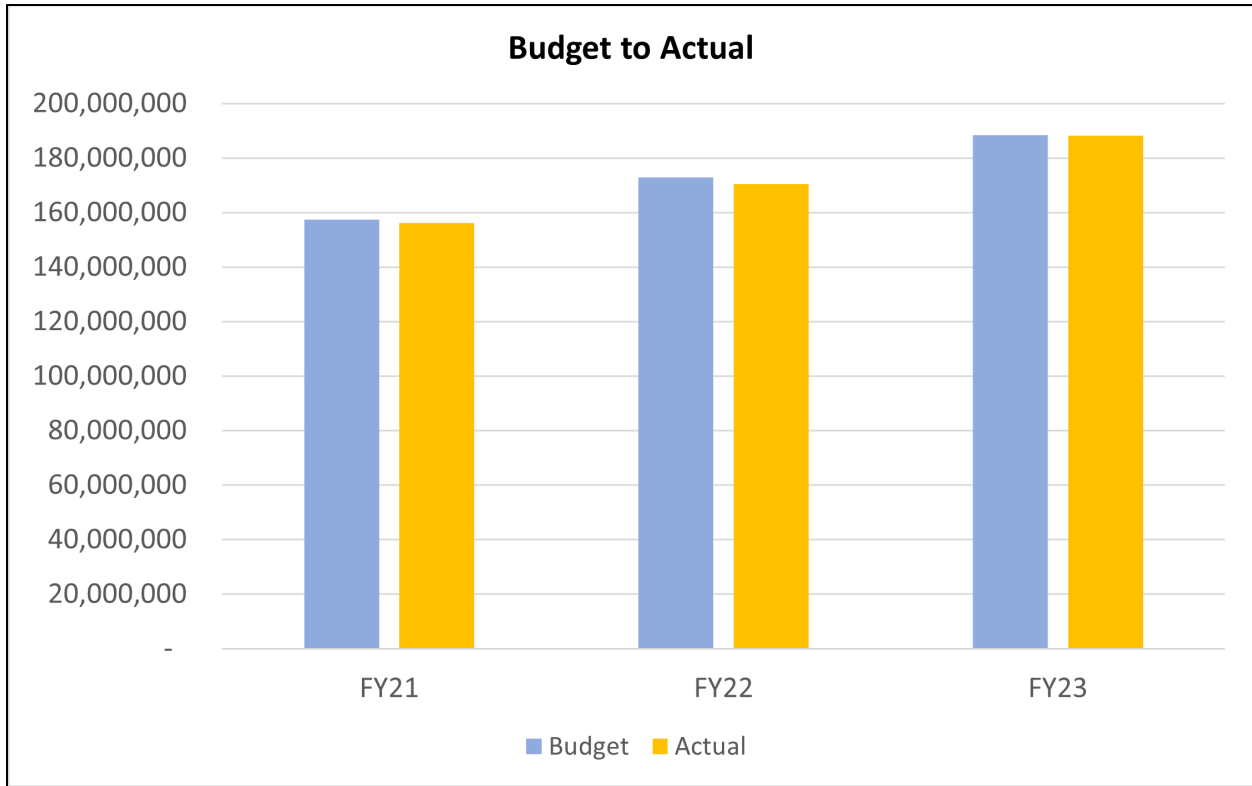
# Police Department

## Operating Budget Summary



Note: Chart data available in the Appendix





Note: Chart data available in the Appendix. Budget includes supplemental appropriations of \$1,352,000 in FY21 and \$6,004,000 in FY23 and, therefore, does not match the Original Budget used in Chart 1.

### Proposed Budget Change

|                             |                      |
|-----------------------------|----------------------|
| <b>FY24 Budget</b>          | <b>\$202,544,600</b> |
| <b>FY25 Proposed Budget</b> | <b>\$218,451,800</b> |

| <b>Where It Goes – Highlighted Changes</b>   | <b>Change</b> |
|--|---------------|
| Personnel – pay package (union and non-represented) and new positions  | 7,615,900     |
| Personnel – temporary pay (match historical spending and increase in temporary positions)                                      | 493,600       |
| Personnel – contractual pay (new contractual positions related to the Automated Traffic Enforcement Program as detailed below) | 183,300       |
| Personnel – overtime (increase due to diminished ability to recruit and retain officers)                                       | 2,915,800     |
| New Automated Traffic Enforcement Program (associated contract costs)  | 2,977,000     |
| Data Processing Software – forensic software costs   | 223,800       |
| Removal of one-time funding for automotive equipment   | (1,407,600)   |

## Personnel Data

| <b>Full-Time Equivalent Positions as of April 10, 2024</b> |                    |                    |                    |                      |                     |
|--|--------------------|--------------------|--------------------|----------------------|---------------------|
| <b>Positions</b>   | <b>FY22 Actual</b> | <b>FY23 Actual</b> | <b>FY24 Actual</b> | <b>FY25 Proposed</b> | <b>FY24 v. FY25</b> |
| General Fund   | 1,026              | 1,033              | 1,062              | 1,067                | 5                   |
| Filled   | 973                | 977                | 990                |                      |                     |
| Vacant   | 53                 | 56                 | 72                 |                      |                     |

- **Six new full-time, general fund classified positions, are proposed –**
  - One Info System Support Specialist position (NR-14). All associated costs for this new position are approximately \$83,200, consisting of recurring costs (salary and benefits) of \$78,200 and one-time costs (such as, a computer and furniture) of \$5,000. The Police Department (Police) advised this position will perform design, implementation, troubleshooting, and maintenance to a variety of technical platforms within the Police’s Real Time Information Center (RTIC).
  - Three Public Safety Analyst I positions (LM-11). All associated costs for each of these positions are approximately \$79,900 (total of \$239,700), consisting of recurring costs (salary and benefits) of \$74,900 each (total of \$224,700) and one-time costs (such as, a computer and furniture) of \$5,000 each (total of \$15,000). Police advised these positions will perform investigator, analyst, and dispatcher duties by conducting real-time assessments and supporting priority calls using technology within the RTIC.
  - One Police Sergeant position (P-2). All associated costs for this position are approximately \$215,100, consisting of recurring costs (salary and benefits) of \$130,700 and one-time costs (such as, radios, mobile data computers for a vehicle, and a vehicle) of \$84,400. Police advised this position will supervise officers and other staff in the new Automated Traffic Enforcement Program.
  - One Senior Forensic Examiner position (NR-18). All associated costs for this position are approximately \$105,300, consisting of recurring costs (salary and benefits) of \$100,300 and one-time costs (such as, a computer and furniture) of \$5,000. Police advised this position will perform the second technical review of cases required by standards to ensure proper methods are met and/or established.
- **One reclassification and transfer, vacant position, is proposed –** One Animal Care Attendant II position to a License Inspector position, which is reclassifying the position from a LM-6 to LM-9, and this position will be transferred to the Department of Inspections and Permits (DIP) to perform licensing related job duties. Police advised that this transfer is part of the Animal Care & Control reorganization, which includes splitting the current duties between Police and DIP.

## Key Observations

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1. **Management Services** – The FY25 Proposed Current Expense Budget request of \$3,650,500 (a \$2,977,000 (442%) increase from the FY24 approved budget of \$673,500) can be attributed to funding for the new Automated Traffic Enforcement, Collection, and Violation Processing System contract. The costs associated with this contract are estimated based on the Montgomery County contract with the same vendor to which Anne Arundel County entered into an agreement with in November 2023, with the initial contract ending in March 2027 with the option to renew for five additional one-year periods. The vendor costs consist of a per citation fee (for red light camera only), a flat fee per camera per month (speed camera only), and a license plate reader fee per camera (both speed and red light cameras). Therefore, the total fees will depend on the actual number of citations.

This is a revenue generating program for the County and the vendor costs are estimated at 40% of total program revenue collections. Police estimates total annual revenue collections of \$7,400,000 with total vendor payments estimated at approximately \$3,000,000. Police advised that the Automated Traffic Enforcement Program is expected to begin in August 2024, which equates to an eleven-month period of performance in its first year. FY25 revenue for this program was budgeted for \$5,500,000 as a conservative estimate for program revenue for the inaugural year. Additional costs are associated with the rental of covert vehicles for the program.

2. **Data Processing Software** – The FY25 Proposed Current Expense Budget request of \$546,100 (a \$223,800 (69%) increase from the FY24 approved budget of \$322,300) is generally attributed to the purchase of forensic software to extract and transfer electronic data from phones and vehicles to workstations for analysis and use in cases.
3. **Automotive Equipment and New Fleet Additions** - The FY25 Proposed Current Expense Budget does not include funding for automotive equipment, which decreased by \$1,407,600 from the FY24 approved budget. However, Police are requesting \$66,400 in new fleet additions. The FY24 approved budget included one-time funding for automotive equipment that was related to the purchase and outfitting of vehicles for 19 new sworn positions as opposed to the purchase and outfitting of 1 new vehicle for the new Police Sergeant position in the Automated Traffic Enforcement Program (see details above) in the FY25 proposed budget.
4. **VLT** – The Local Development Council recommends in the FY25 Proposed Current Expense Budget funding Police \$3,849,000 in VLT funds consisting of \$2,700,000 to support Police operations and \$1,149,000 for programming and equipment. Police advised that the funding to support operations will be used for the recurring costs (salary and benefits) of 18 Officers, 3 Sergeants, and 1 Lieutenant that are assigned to the Arundel Mills/Maryland Live Casino area, and ancillary costs (such as, equipment, ammunition, uniforms, and radio maintenance) associated with these positions.

The funding for programming and equipment will be used to support the Youth Activities Program staff (one supervisor and five advisors), location costs, and related camps and activities (\$724,000) and for community relations related expenses, including mental health support devices, ballistics shields, and other equipment (\$400,000) and chaplain training and membership dues (\$25,000).

## Appendix: Chart Data

### Police Department Operating Budget

|                        | FY21 Budget        | FY22 Budget        | FY23 Budget        | FY24 Budget        | FY25 Proposed      |
|------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Personal Services      | 137,035,100        | 151,729,300        | 158,417,200        | 175,721,600        | 191,945,400        |
| Contractual Services   | 15,127,400         | 15,179,300         | 16,012,500         | 19,708,700         | 20,651,900         |
| Supplies & Materials   | 3,110,100          | 3,288,900          | 3,512,900          | 3,813,700          | 3,769,400          |
| Business & Travel      | 371,800            | 540,800            | 557,100            | 625,100            | 651,900            |
| Capital Outlay         | 354,000            | 1,881,100          | 3,706,700          | 2,505,500          | 1,263,200          |
| Grants, Contr. & Other | 100,000            | 227,200            | 140,000            | 170,000            | 170,000            |
| <b>Total</b>           | <b>156,098,400</b> | <b>172,846,600</b> | <b>182,346,400</b> | <b>202,544,600</b> | <b>218,451,800</b> |

### FY25 Proposed Budget – by Bureau

| Name                        | FY25 Proposed      |
|-----------------------------|--------------------|
| Patrol Services             | 94,447,400         |
| Community Services          | 17,547,600         |
| Operations & Investigations | 48,382,400         |
| Admin Services              | 58,074,400         |
| <b>Total</b>                | <b>218,451,800</b> |

### FY25 Proposed Budget - by Expenditure

| Object                 | FY25 Proposed      |
|------------------------|--------------------|
| Personal Services      | 191,945,400        |
| Contractual Services   | 20,651,900         |
| Supplies & Materials   | 3,769,400          |
| Business & Travel      | 651,900            |
| Capital Outlay         | 1,263,200          |
| Grants, Contr. & Other | 170,000            |
| <b>Total</b>           | <b>218,451,800</b> |

### FY21-FY23 Budget\* to Actual

|               | FY21        | FY22        | FY23        |
|---------------|-------------|-------------|-------------|
| <b>Budget</b> | 157,450,400 | 172,846,600 | 188,350,400 |
| <b>Actual</b> | 156,178,046 | 170,553,836 | 188,269,746 |

\*Budget includes supplemental appropriations of \$1,352,000 in FY21 and \$6,004,000 in FY23 and, therefore, does not match the Original Budget used in Chart 1.

# **Appendix E**

## **FY25 Capital Budget Reports**

Anne Arundel Community College (J Class)

Board of Education (E Class)

Dredging (Q Class)

General County (C Class)

Library (L Class)

Public Safety (F Class)

Recreation and Parks (P Class)

Roads and Bridges (H Class)

Waste Management (N Class)

Wastewater (S Class)

Water (W Class)

Watershed Protection and Restoration (B Class)



Legislation Review

# Review of the Fiscal Year 2025 Proposed Capital Budget and Program Anne Arundel Community College (J Class)

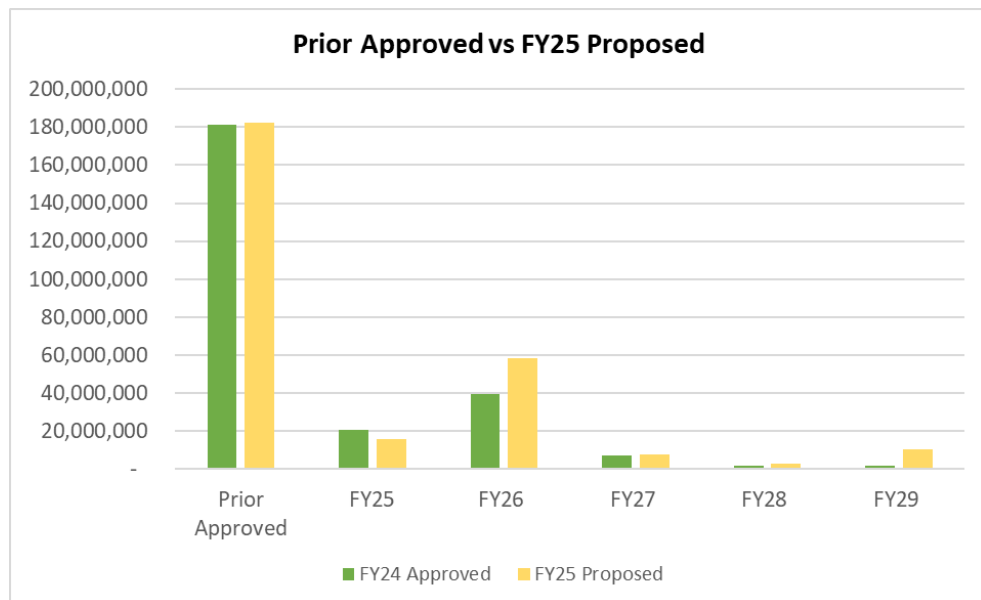
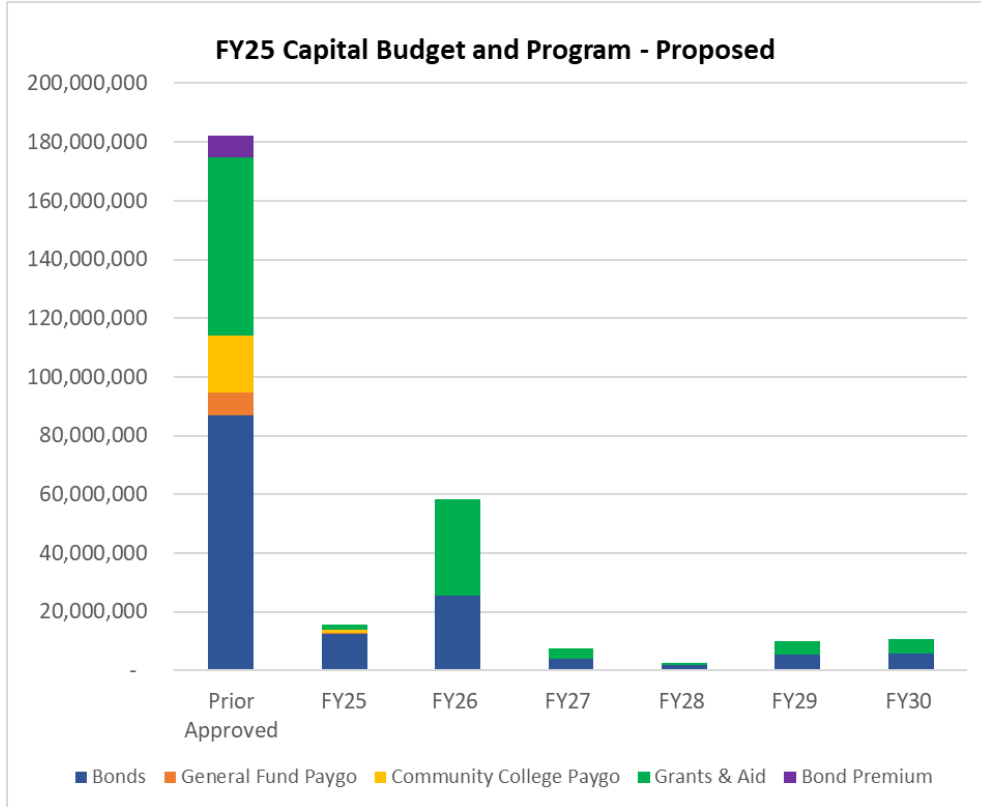
Report Date: May 12, 2024  
Hearing Date: May 13, 2024

|  |                                 |
|--|---------------------------------|
| <b>Questions Sent to Agency:</b>       | <b>Thursday, April 25, 2024</b> |
| <b>Responses Received from Agency:</b> | <b>Friday, May 3, 2024</b>      |

**This analysis considers all agency responses.**

# Community College (J Class)

## Capital Budget Summary





- The Proposed Capital Budget and Program includes 12 projects: 9 stand-alone/one-time and 3 multi-year/recurring.
- New project funding is provided for HCAT Relocation (J592400) for \$10,560,000 in General County Bonds and Maryland Higher Education funding with design costs budgeted in FY28.
- Significant changes in project scope for Dragun Renov and Addition (J578600) for the removal of the addition from the scope of work to reduce costs. The addition would have added 27,770 gross square feet to the building, consisting largely of new laboratories for the physical sciences.
- State infrastructure funding assumptions: Dragun Renov and Addition (J578600) and Florestano Renovation (J578700) has FY25 Maryland Higher Education funding of \$759,000 and \$1,050,000, respectively, as shown in the state capital budget bill. These projects also have anticipated Maryland Higher Education funding in outyears, along with the Student Services Ctr Reno (J587600) and the HCAT Relocation (J592400) projects, which is assumed funding at 50 percent of expenditures.

## **Capital Budget – Key Observations and Recommendations**

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1. **Available Program Funds to Complete Projects Identified – GBTC Tutoring Ctr Renovation (Project J587500)** – Anne Arundel Community College (AACC) advised that the project is in closeout and has determined that project funding of \$84,000 can be released. Therefore, we recommend reducing prior approved General County Bonds by \$84,000.
2. **Project Complete – Health and Life Sciences Bldg (J569700)** – AACC advised that this project is complete and has determined that the remaining County project funding can be released. Therefore, we recommend reducing prior approved General County Bonds by \$197,000.

## Appendix: Chart Data

### FY24 Capital Budget and Program Approved vs FY25 Prior Approved

| Funding Source          | FY24 Prior Approved | FY24 Approved | Prior Approved |
|-------------------------|---------------------|---------------|----------------|
| Bonds                   |                     |               | 86,819,000     |
| General Fund Paygo      |                     |               | 7,695,000      |
| Community College Paygo |                     |               | 19,479,000     |
| Impact Fees             |                     |               |                |
| Grants & Aid            |                     |               | 60,883,875     |
| Bond Premium            |                     |               | 7,335,000      |
| <b>FY25 Proposed</b>    | -                   | -             | 182,211,875    |
| FY24 Approved           | 174,273,500         | 6,938,375     | 181,211,875    |

### FY24 Approved vs FY25 Proposed

| Funding Source          | Prior Approved | FY25       | FY26       | FY27      | FY28      | FY29       | FY30       | Total Proposed |
|-------------------------|----------------|------------|------------|-----------|-----------|------------|------------|----------------|
| Bonds                   | 86,819,000     | 12,386,000 | 25,529,000 | 4,192,000 | 1,874,000 | 5,533,000  | 5,928,000  | 55,442,000     |
| General Fund Paygo      | 7,695,000      | 450,000    | -          | -         | -         | -          | -          | 450,000        |
| Community College Paygo | 19,479,000     | 1,000,000  | -          | -         | -         | -          | -          | 1,000,000      |
| Impact Fees             |                |            |            |           |           |            |            | -              |
| Grants & Aid            | 60,883,875     | 1,809,000  | 32,906,000 | 3,242,000 | 874,000   | 4,583,000  | 4,928,000  | 48,342,000     |
| Bond Premium            | 7,335,000      |            |            |           |           |            |            | -              |
| <b>FY25 Proposed</b>    | 182,211,875    | 15,645,000 | 58,435,000 | 7,434,000 | 2,748,000 | 10,116,000 | 10,856,000 | 105,234,000    |
| FY24 Approved           | 181,211,875    | 20,370,000 | 39,600,000 | 7,384,000 | 1,950,000 | 1,848,000  |            | 71,152,000     |



Legislation Review

# Review of the Fiscal Year 2025 Proposed Capital Budget and Program Board of Education (E Class)

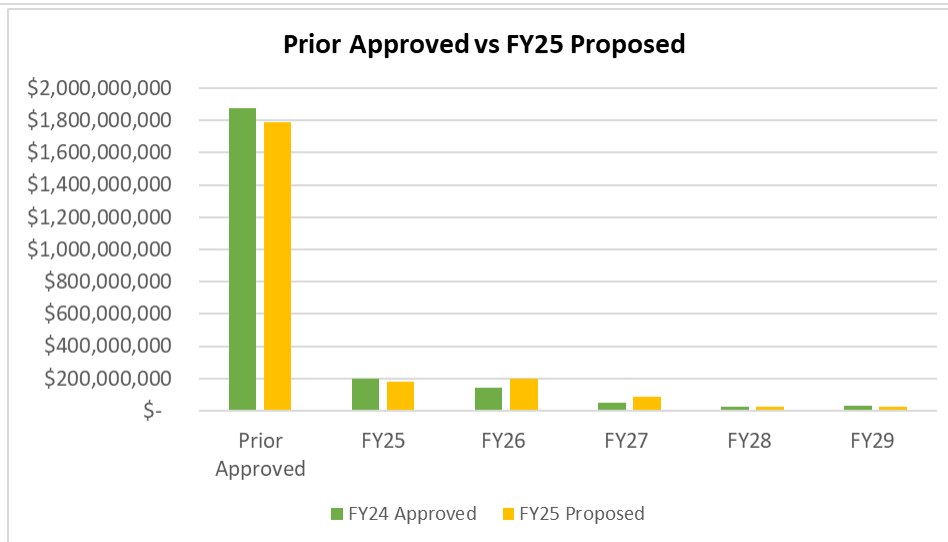
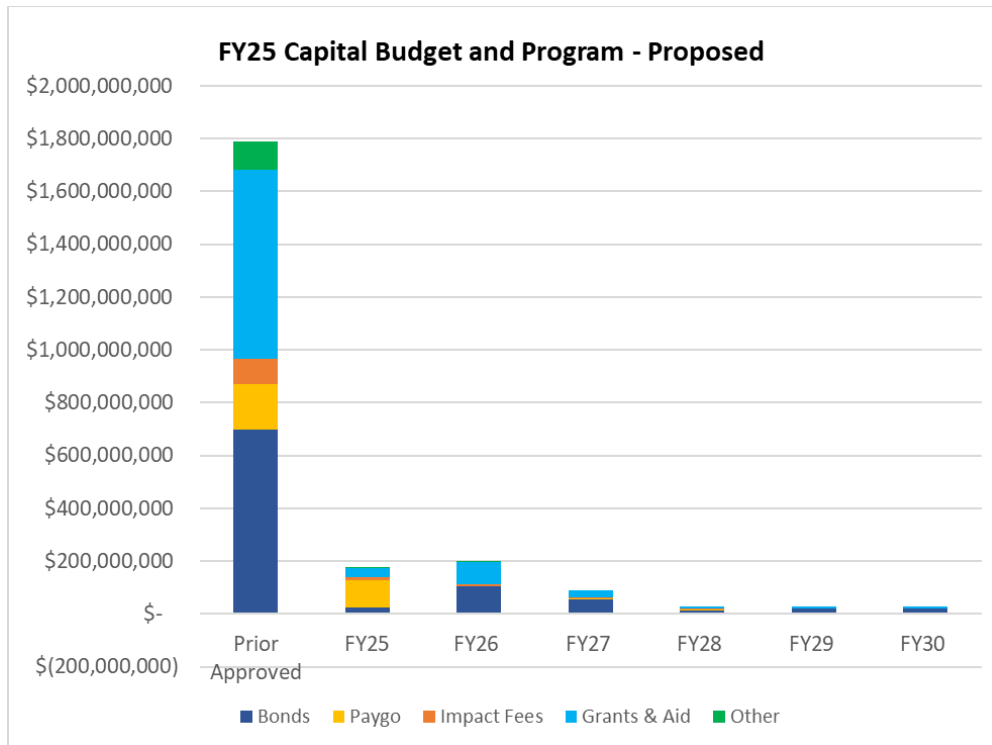
Report Date: May 12, 2024  
Hearing Date: May 13, 2024

|  |                               |
|--|-------------------------------|
| <b>Questions Sent to Agency:</b>       | <b>Friday, April 26, 2024</b> |
| <b>Responses Received from Agency:</b> | <b>Thursday, May 2, 2024</b>  |

**This analysis considers all agency responses.**

# Board of Education (E Class)

## Capital Budget Summary



- The four projects receiving the largest FY25 funding amounts in the FY25 Proposed Capital Budget are:
  - \$52,095,000 for CAT North (Project #E578000),
  - \$44,078,000 for Old Mill HS (Project #E578100),
  - \$32,310,000 for Building Systems Renov (Project #E538200), and
  - \$22,117,000 for Old Mill MS North (Project #E550300).
- The Proposed Capital Budget and Program includes 41 projects: 19 stand-alone/one-time projects and 22 multi-year/recurring.
- Five projects replace previously approved FY25 funding amounts with new funds from different sources, including Quarterfield ES (Project #E572500) that replaces \$8,051,000 in General County Bonds and PAYGO with \$8,051,000 in Education Impact Fees District 2 funds.
- New project funding is provided for:
  - Sustainability Initiatives (Project #E591700) for \$1,800,000 in FY25 in General County Bonds, General Fund PAYGO, and BOE PAYGO for upgrades to building automation systems, lighting retrofits, solar panel installations, and other projects that improve energy efficiency; and
  - School Bus Facility/Lot (Project #E591800) for \$1,346,000 in FY25 General Fund PAYGO and \$9,191,000 in FY26 General County Bonds for a replacement renovation of transportation facilities.

## Capital Budget – Key Observations

---

1. **Project on Hold – Northeast Area ES (Mt Rd Corr) (Project #E575000)** – The FY25 Proposed Capital Budget and Program does not reflect any funding for the Northeast Area ES (Mt Rd Corr). BOE anticipates the construction time frame for this school will require re-evaluation and, if this project is deemed unnecessary, advises that future funding would be reallocated to the next priority school in the long-range Facility Master plan.
  
2. **Electric Vehicle (EV) Investment** – The FY25 Proposed Capital Budget and Program reflects investment in transitioning to an EV fleet and building associated infrastructure by providing \$2,000,000 in General County Bonds and PAYGO for School Bus Replacement (Project #E538800) and \$400,000 in General Fund PAYGO for Vehicle Replacement (Project #E539200). BOE advises that:
  - an EV bus feasibility study was completed for the bus lot at the Central Office and EV charging infrastructure will be added in FY25;
  - EV charging infrastructure is being installed at the Facilities Office; and
  - privately owned EV charging infrastructure has been installed at Broadneck High School, Brooklyn Park Middle School, and the Central Office.

## Appendix: Chart Data

### FY24 Capital Budget and Program Approved vs FY25 Prior Approved

| Funding Source       | FY24 Prior Approved  | FY24 Approved      | Prior Approved       |
|----------------------|----------------------|--------------------|----------------------|
| Bonds                | 689,739,698          | 65,160,000         | 696,760,516          |
| Paygo                | 132,053,761          | 40,983,000         | 173,036,761          |
| Impact Fees          | 101,971,000          | (3,040,000)        | 96,055,000           |
| Grants & Aid         | 652,251,131          | 89,556,947         | 715,853,578          |
| Other                | 107,630,836          | -                  | 107,630,836          |
| <b>FY25 Proposed</b> | <b>1,683,646,426</b> | <b>192,659,947</b> | <b>1,789,336,691</b> |
| FY24 Approved        | 1,683,646,426        | 192,659,947        | 1,876,306,373        |

### FY24 Approved vs FY25 Proposed

| Funding Source       | Prior Approved       | FY25               | FY26               | FY27              | FY28              | FY29              | FY30              | Total Proposed     |
|----------------------|----------------------|--------------------|--------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| Bonds                | 696,760,516          | 23,378,387         | 104,644,000        | 56,287,000        | 13,918,000        | 19,068,000        | 19,068,000        | 236,363,387        |
| Paygo                | 173,036,761          | 104,434,338        | (450,000)          | 800,000           | 800,000           | 800,000           | 800,000           | 107,184,338        |
| Impact Fees          | 96,055,000           | 10,100,000         | 8,450,000          | 5,000,000         | 5,150,000         | -                 | -                 | 28,700,000         |
| Grants & Aid         | 715,853,578          | 34,242,775         | 81,600,000         | 27,756,000        | 6,707,000         | 6,707,000         | 6,707,000         | 163,719,775        |
| Other                | 107,630,836          | 4,918,500          | 5,000,000          | -                 | -                 | -                 | -                 | 9,918,500          |
| <b>FY25 Proposed</b> | <b>1,789,336,691</b> | <b>177,074,000</b> | <b>199,244,000</b> | <b>89,843,000</b> | <b>26,575,000</b> | <b>26,575,000</b> | <b>26,575,000</b> | <b>545,886,000</b> |
| FY24 Approved        | 1,876,306,373        | 199,197,000        | 145,739,000        | 48,132,000        | 26,575,000        | 30,503,000        |                   | 450,146,000        |



Legislation Review

# Review of the Fiscal Year 2025 Proposed Capital Budget and Program Dredging (Q Class)

Report Date: May 15, 2024  
Hearing Date: May 16, 2024

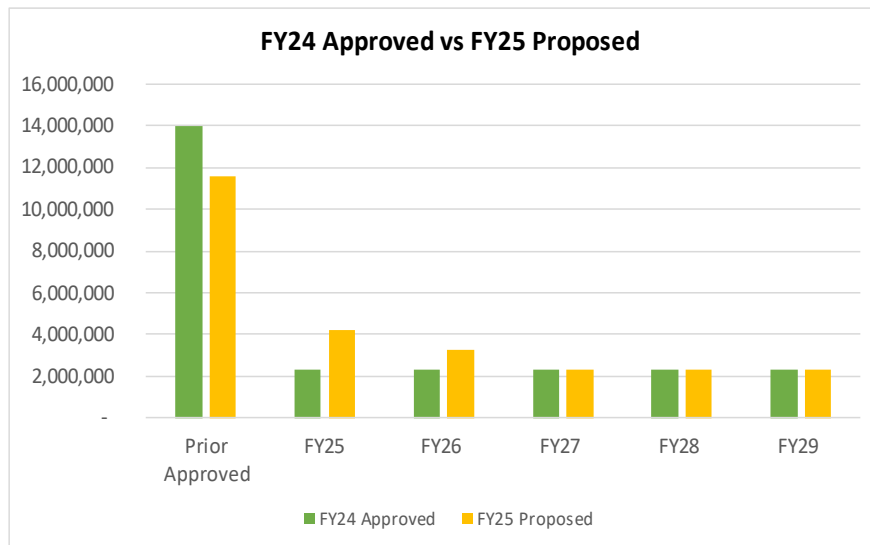
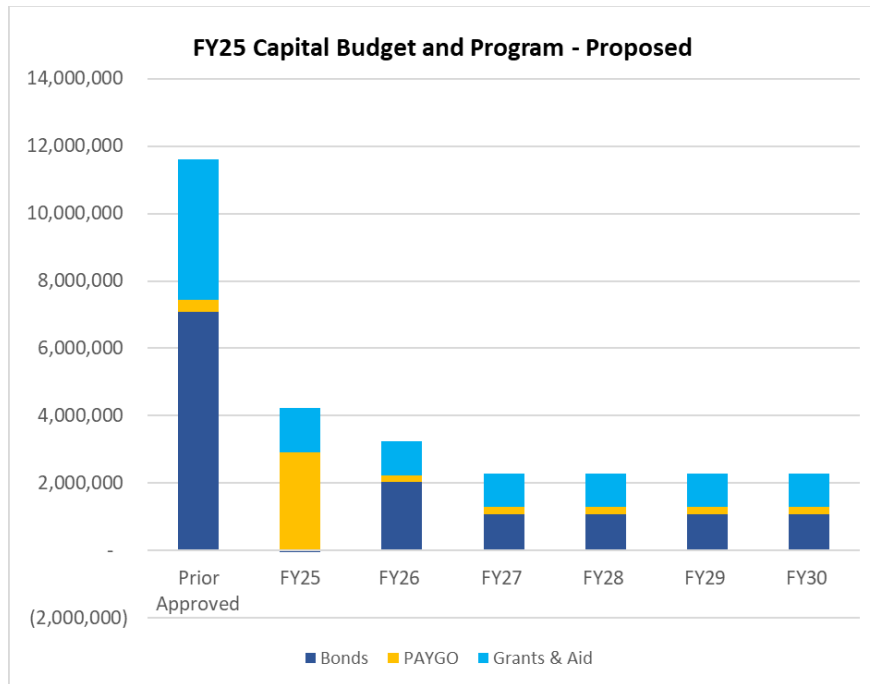
|  |   |
|--|---|
| <b>Questions Sent to Agency:</b>       | <b>May 4, 2024; May 13, 2024</b>          |
| <b>Responses Received from Agency:</b> | <b>May 10, 2024; Waiting on Responses</b> |

**This analysis considers all agency responses.**



# Dredging (Q Class)

## Capital Budget Summary



Note: Chart data provided in the Appendix

- The Proposed Capital Budget and Program includes 17 projects: 11 stand-alone/one-time and 6 multi-year/recurring.
- New project funding is provided for FY25 Dredging Program (Q592800, p. 266 of the capital budget book) for \$2,098,500 in General Fund PAYGO and MD Waterway Improvement funds.

## Capital Budget – Key Observations and Recommendations

---

1. **Project Complete – Severn River HW Dredging 2 (Q582300, p. 268)** – This project is complete and the Administration advised the remaining funding can be released. **Therefore, we recommend reducing prior approved MD Waterway Improvement funds by \$89,000.**
2. **Estimated Project Costs Reduced – Yantz & Saltworks Creek Drdg (Q584900, p. 270)** – Estimated project costs were reduced. The Administration advised that the excess funds can be released. **We recommend reducing the prior approved appropriation by \$84,000; reduce prior approved General County Bonds by \$69,000 and prior approved MD Waterway Improvement funds by \$15,000.**
3. **Estimated Project Costs Reduced – Grays Crk & Hunters Hbr Drdg (Q585000, p. 271)** – Estimated project costs were reduced. The Administration advised that the excess funds can be released. **We recommend reducing the prior approved appropriation by \$366,000; reduce prior approved General County Bonds by \$177,000 and prior approved MD Waterway Improvement funds by \$189,000.**

## Appendix: Chart Data

### FY25 Proposed Capital Budget and Program vs FY24 Approved

| Funding Source       | Prior Approved    | FY25             | FY26             | FY27             | FY28             | FY29             | FY30             | Total Proposed    |
|----------------------|-------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
| Bonds                | 7,095,799         | (47,000)         | 2,035,000        | 1,089,000        | 1,089,000        | 1,089,000        | 1,089,000        | 6,344,000         |
| Paygo                | 336,364           | 2,910,000        | 208,000          | 208,000          | 208,000          | 208,000          | 208,000          | 3,950,000         |
| Impact Fees          | -                 | -                | -                | -                | -                | -                | -                | -                 |
| Grants & Aid         | 4,176,421         | 1,334,500        | 1,000,000        | 1,000,000        | 1,000,000        | 1,000,000        | 1,000,000        | 6,334,500         |
| Bond Premium & Other | -                 | -                | -                | -                | -                | -                | -                | -                 |
| <b>FY25 Proposed</b> | <b>11,608,584</b> | <b>4,197,500</b> | <b>3,243,000</b> | <b>2,297,000</b> | <b>2,297,000</b> | <b>2,297,000</b> | <b>2,297,000</b> | <b>16,628,500</b> |
| FY24 Approved        | 13,993,970        | 2,289,000        | 2,289,000        | 2,289,000        | 2,289,000        | 2,289,000        |                  | 11,445,000        |



Legislation Review

# Review of the Fiscal Year 2025 Proposed Capital Budget and Program General County (C Class)

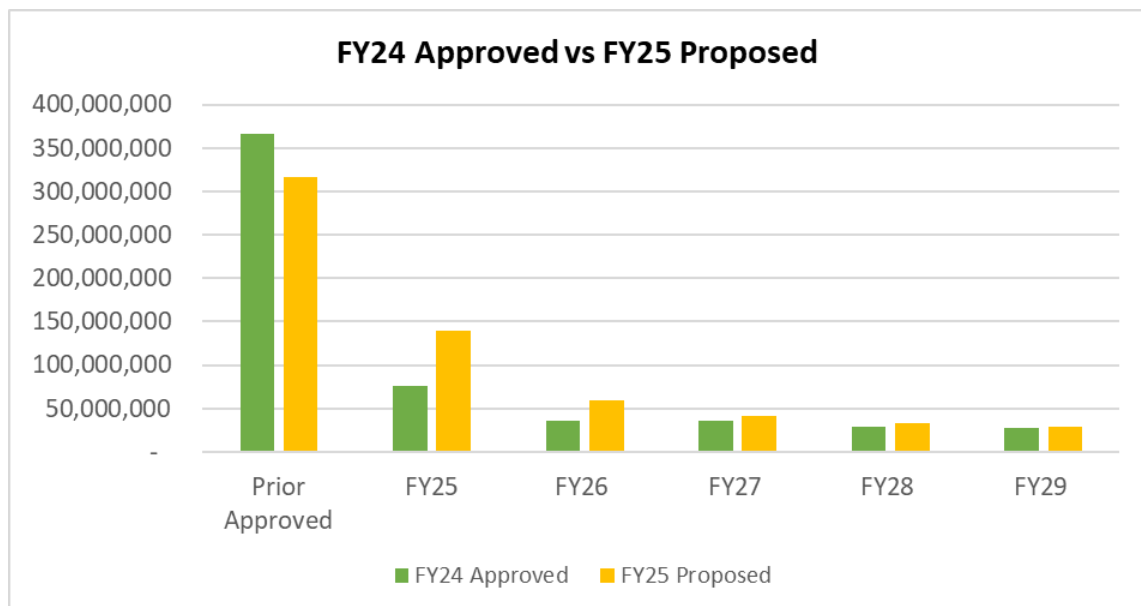
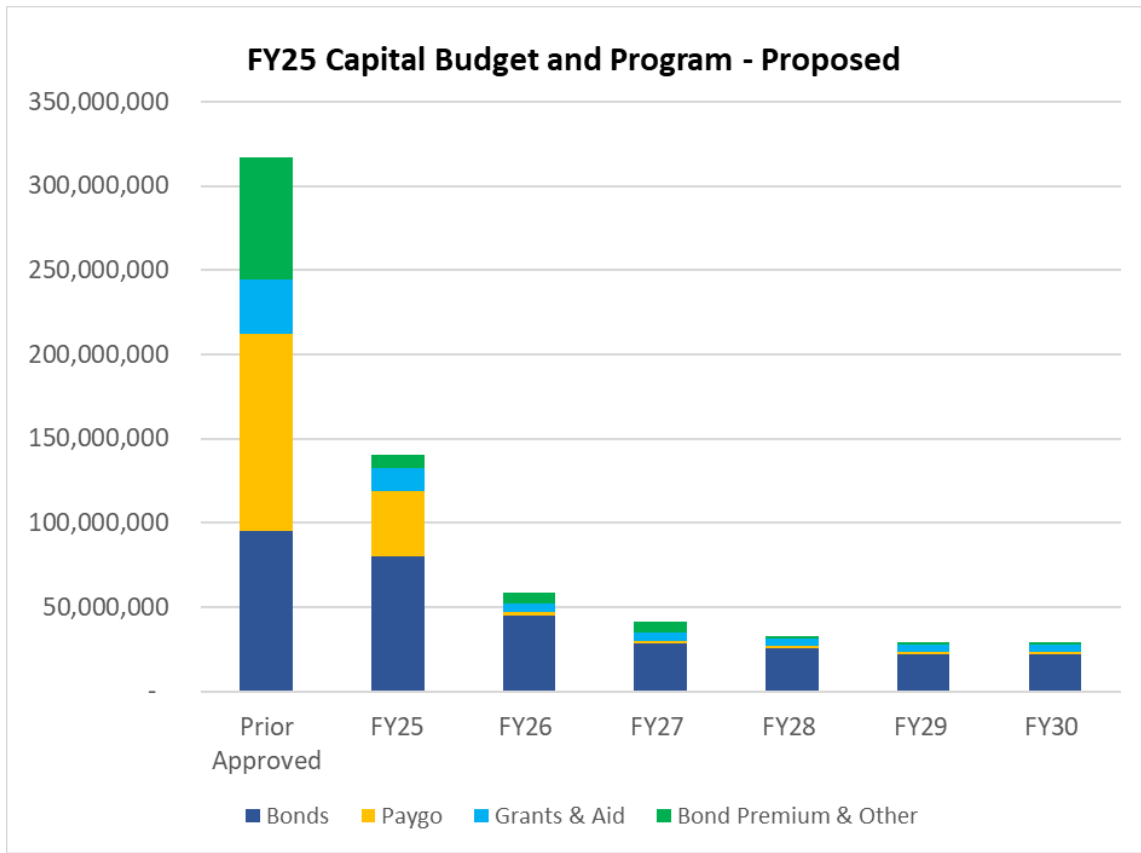
Report Date: May 15, 2024  
 Hearing Date: May 16, 2024

| <b>C Class Project Type:</b> | <b>Questions Sent to Agency:</b>   | <b>Responses Received from Agency:</b>   |
|------------------------------|------------------------------------|--|
| <b>C - Land Acquisition</b>  | <b>April 26, 2024</b>              | <b>May 1, 2024</b>                       |
| <b>C - OIT</b>               | <b>April 15, 2024; May 9, 2024</b> | <b>May 3, 2023; May 14, 2024</b>         |
| <b>C - General County</b>    | <b>May 1, 2024; May 10, 2024</b>   | <b>May 7, 2024; Waiting on Responses</b> |

**This analysis considers all agency responses.**

# General County (C Class)

## Capital Budget Summary



Note: Chart data provided in the Appendix

- The four projects receiving the largest FY25 funding amounts in the FY25 Proposed Capital Budget are:
  - \$23,711,500 for Information Technology Enhance (Project #C519600, p. 26 of the capital budget book),
  - \$22,292,000 for Odenton MARC TOD Dev Ph 1 & 2A (Project #C565500, p. 35),
  - \$21,567,000 for Traffic Maint Fac Upg Relo (Project #C589000, p. 45), and
  - \$18,592,000 for Fire Equip Maint Facility (Project #C571900, p. 38).
- The FY25 Proposed Capital Budget and Program includes 45 projects: 23 stand-alone/one-time and 22 multi-year/recurring.
- Five projects replace previously approved FY25 funding amounts with new funds from different sources.
  - Information Technology Enhance (Project #C519600, p. 26) replaces \$11,194,000 in General County Bonds with General Fund PAYGO and increased General Fund PAYGO to a total of \$21,407,000 (FY24 Approved Capital Budget and Program had \$250,000 in General Fund PAYGO for FY25).
  - County Facilities & Sys Upgrad (Project #C537800, p. 30) replaces \$3,967,202 in General County Bonds with General Fund PAYGO. In total, this project's FY25 funding was increased by \$3,330,000 (\$3,000,000 in General Fund PAYGO and \$330,000 in Energy Loan Revolving Fund funds) from the FY24 Approved Capital Budget and Program to address the project backlog.
  - Odenton MARC TOD Dev Ph 1 & 2A (Project #C565500, p. 35) replaces \$2,000,000 in Tax Increment Fund (TIF) with General County Bonds. In total, this project's FY25 funding was increased by \$17,292,000 from the FY24 Approved Capital Budget and Program to fund the balance of the construction costs for the parking garage project.
  - Parking Garages Repair/Renov (Project #C571700, p. 36) replaces \$773,000 in General County Bonds with \$523,000 in General Fund PAYGO and \$250,000 in Parking Garage Fund (this project was also reduced by \$5,139,000 in General County Bonds from the FY24 approved capital budget and program to the FY25 proposed capital budget).
  - Circuit Courthouse Major Reno (Project #C585700, p. 43) replaces \$1,550,000 in General County Bonds with Bond Premium. In total, this project's FY25 funding was decreased by \$3,503,000 as certain construction costs were moved into FY26.
- New project funding is provided for the following:
  - County Septic Systems Access (Project #C591200, p. 48) for \$134,000 in General Fund PAYGO funding with design costs budgeted in FY25.
  - Glen Burnie Plz Redevelopment (Project #C591300, p. 49) for \$1,550,000 in General Fund PAYGO and Other Fed Grants funding with design in FY25 for Glen Burnie Town Center Plaza improvements.
  - UM BWMC – Cardiac Cath Labs (Project #C591400, p. 50) for \$500,000 in General Fund PAYGO for assistance towards the expansion and renovation of BWMC's cardiac catheterization labs.
  - Multicultural Center (Project #C591500, p. 51) for \$5,500,000 in General Fund PAYGO and Other State Grants funding with design and construction costs in FY25 to study,

identify, and develop a center that promotes diversity, inclusivity, and cultural awareness in the County.

- Digital Access – DSP (Project #591600, p. 52) for \$1,375,000 in General Fund PAYGO and Other State Grants to help families get access to reliable high-speed internet.

## **Capital Budget – Key Observations and Recommendations**

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- 1. Lack of Support – Available Program Funds to Complete Projects Identified – Advance Land Acquisition (Project #C106700, p. 19 of the capital budget book) –**  
The project’s available balance as of March 31, 2024 was \$5,644,910 and the Administration was not able to explain how this balance will be utilized in FY24 by providing a list of the expected land acquisitions along with the associated cost estimates and timeline.

The FY25 Proposed Capital Budget and Program includes \$3,350,000 in General Fund PAYGO for this project. The Administration advises that \$3,500,000 in FY24 and FY25 funding will be used to purchase property at 1699 Millersville Road for the Board of Education (BOE) School Bus Facility/Lot (Project #E591800) capital project. The Administration advises that the purchase agreement has been signed, environmental and feasibility studies are underway, and there is an anticipated closing date in October 2024. This would leave \$5,495,000 for unanticipated needs. **Based on the lack of support and the available balance, we recommend reducing FY25 General Fund PAYGO by \$3,350,000.**

- 2. Operational Costs in the Capital Budget – Agricultural Preservation Prgm (Project #C443400, p. 22) –** The FY25 Proposed Capital Budget and Program provides \$2,170,000 in FY26 for this project, which includes \$1,900,000 in General County Bonds, \$200,000 in State of Maryland Agricultural Land Preservation Fund grant funding (Other State Grants), and \$70,000 from the Tri-County Council of Southern Maryland (Miscellaneous Funding).

The Administration advises that the \$70,000 in FY26 Miscellaneous funding is for (1) expansion of public outreach and engagement, (2) ongoing support and stewardship of farms and farm owners with easements, and (3) supporting and streamlining easement inspections and reporting through improved technology and digital data collection. These funding uses are consistent with operating budget expenditures rather than capital construction. **We recommend deleting FY26 Miscellaneous funding of \$70,000 and including in the FY26 Current Expense Budget if awarded.**

- 3. Lack of Support - Reforest Prgm-Land Acquisition (Project #C531200, p. 27) –**  
The FY25 Proposed Capital Budget and Program provides \$500,000 in FY25 Reforestation-Forest Conservation Funds for this project. However, the Administration was not able to provide a list of proposed FY25 land acquisitions.

4. **Lack of Support – Lack of State Grant Funding – Rural Legacy Program (Project #C543800, p. 31)** – The FY25 Proposed Capital Budget and Program provides \$75,000 in FY25 General County Bonds and \$1,500,000 in FY25 Other State Grants. The Administration has applied for \$2,500,000 in State Rural Legacy Program grant funding, but the award is still pending. The Administration was not able to provide a list of actual FY23 acquisitions, actual/expected FY24 acquisitions, and proposed FY25 acquisitions.
5. **Historical Spending Reduction – Failed Sewage & Private Well Fnd (Project #C501100, p. 25)** – As of May 1, 2024, this project had an available project balance of \$185,000. The average annual expenses in this project are \$38,000. There is a sufficient available balance for the Administration to perform planned tasks of \$53,000 and the remaining project funds would be available for any unplanned tasks. **We recommend deleting the FY25 General Fund PAYGO of \$80,000.**
6. **Calculation Error – Parking Garages Repair/Renov (Project #C571700, p. 36)** – Our review disclosed calculation errors in the project cost estimates. As a result, the Administration reduced the project budget by \$509,000. **Therefore, we recommend reducing FY25 General Fund PAYGO by \$14,000, and reducing FY26 General County Bonds by \$495,000.**
7. **Calculation Error – Millersville Garage Renovation (Project #C571800, p. 37)** – Our review disclosed a calculation error in the project cost estimates. As a result, the Administration reduced the project budget by \$337,000. **Therefore, we recommend reducing FY26 General County Bonds by \$337,000.**
8. **Calculation Error – West County Road Ops Yard (Project #C580000, p. 40)** – Our review disclosed calculation errors in the project cost estimates. As a result, the Administration reduced the project budget by \$1,112,000. The proposed FY25 budget included a reduction of \$673,000 in prior approved General County Bonds. **We recommend reducing an additional \$1,112,000 in prior approved General County Bonds.**
9. **Calculation Error – Circuit Courthouse Major Reno (Project #C585700, p. 43)** – Our review disclosed calculation errors in the project cost estimates. As a result, the Administration reduced the project budget by \$993,000. **Therefore, we recommend reducing FY26 General County Bonds by \$513,000, reducing FY27 General County Bonds by \$408,000, and reducing FY28 General County Bonds by \$72,000.**
10. **Increase in funding – Information Technology Enhancement (Project #C519600, p. 26)** – The FY25 Proposed Capital Budget and Program includes FY25 funding of \$23,711,500 (an increase of \$11,437,000 from the FY24 Approved Capital Budget and Program), including \$21,407,000 in General Fund PAYGO for the Computer Aided Dispatch



911 system replacement (expected cost of \$7,500,000 to \$9,000,000) and the new financial system upgrade (expected cost of \$13,000,000 to \$15,000,000), both of which are expected to take two years to implement. Additionally, the Detention system (expected cost of \$1,300,000) and Billing system (MUNIS with a cost not yet known) need to be updated. Multi-factor authentication tokens (expected cost of \$112,000) will also be purchased under this project. We are still working with the Administration to obtain quality support for the expected costs under this entire project.

11. **Project will be closed – Wired Broadband Access (Project #C586200, p. 62)** – As of May 1, 2024, this project had an available balance of \$226,600. There was no FY25 funding request and the Administration advised that the entirety of the currently appropriated funds will be used and the project closed out by December 31, 2025 per the ARP Grant terms.
  
12. **Resilience Authority** – The Administration advised that the implementation of EV Charging St & Oth Grn Tech (Project #C582800, p. 42) was transferred to the Resilience Authority, and the County will partner with the Resilience Authority to manage Glen Burnie Plz Redevelopment (Project #C591300, p. 49).

## Appendix: Chart Data

### FY25 Proposed Capital Budget and Program vs FY24 Approved

| Funding Source       | Prior Approved     | FY25               | FY26              | FY27              | FY28              | FY29              | FY30              | Total Proposed     |
|----------------------|--------------------|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| Bonds                | 95,314,668         | 79,861,798         | 45,102,100        | 28,407,000        | 25,198,000        | 21,687,000        | 21,687,000        | 221,942,898        |
| Paygo                | 116,724,665        | 38,877,702         | 2,129,900         | 1,478,000         | 1,478,000         | 1,478,000         | 1,478,000         | 46,919,602         |
| Impact Fees          | -                  | -                  | -                 | -                 | -                 | -                 | -                 | -                  |
| Grants & Aid         | 32,080,666         | 13,413,000         | 5,000,000         | 4,800,000         | 4,800,000         | 4,800,000         | 4,800,000         | 37,613,000         |
| Bond Premium & Other | 72,793,332         | 7,980,000          | 6,420,000         | 6,350,000         | 1,350,000         | 1,350,000         | 1,350,000         | 24,800,000         |
| <b>FY25 Proposed</b> | <b>316,913,331</b> | <b>140,132,500</b> | <b>58,652,000</b> | <b>41,035,000</b> | <b>32,826,000</b> | <b>29,315,000</b> | <b>29,315,000</b> | <b>331,275,500</b> |
| FY24 Approved        | 365,889,041        | 76,175,500         | 35,956,000        | 36,196,000        | 29,308,000        | 27,815,000        |                   | 205,450,500        |



Legislation Review

# Review of the Fiscal Year 2025 Proposed Capital Budget and Program Library (L Class)

Report Date: May 12, 2024

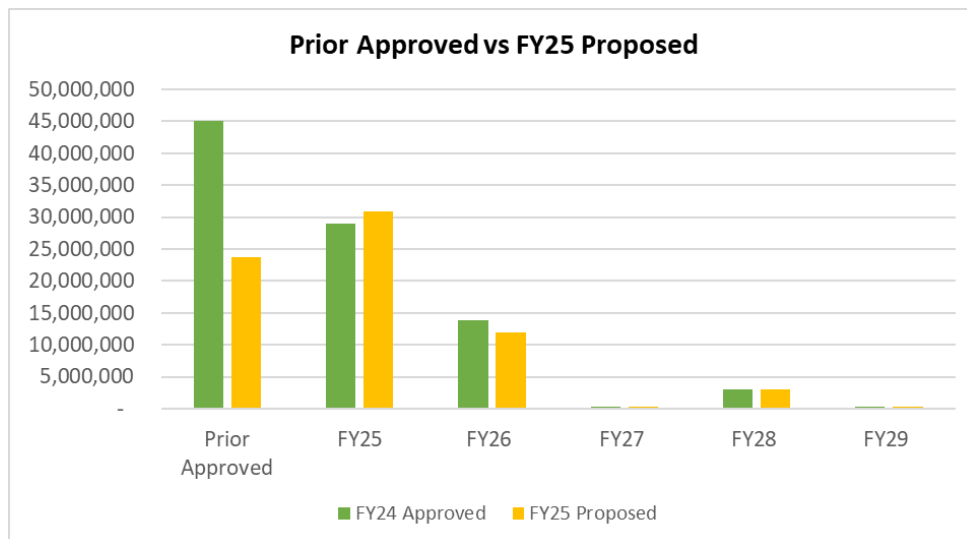
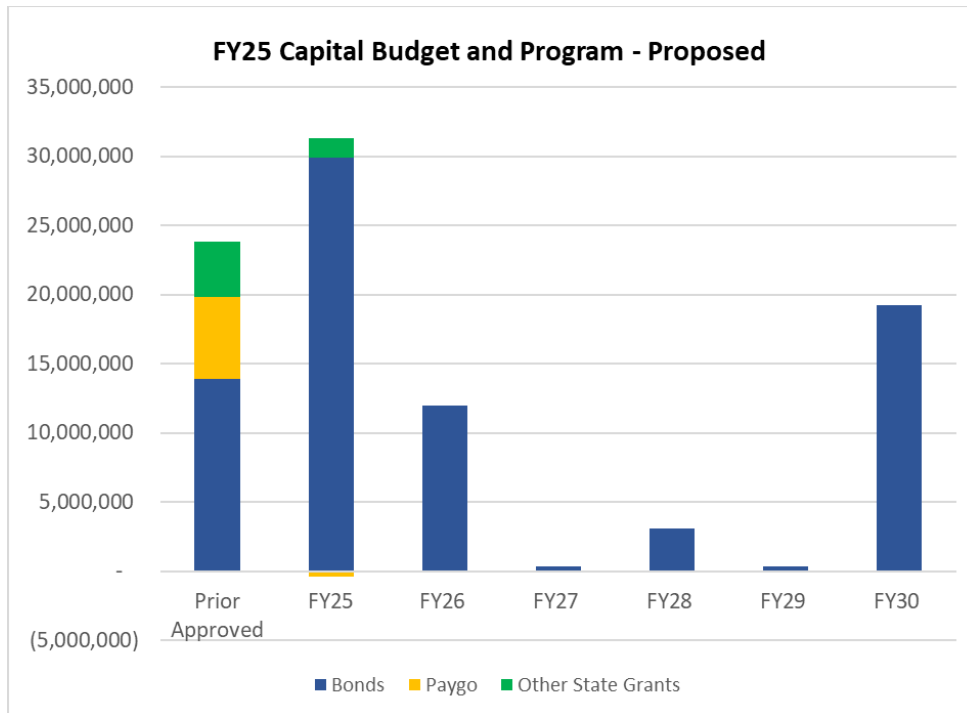
Hearing Date: May 13, 2024

|  |                                 |
|--|---------------------------------|
| <b>Questions Sent to Agency:</b>       | <b>Thursday, April 25, 2024</b> |
| <b>Responses Received from Agency:</b> | <b>Thursday, May 2, 2024</b>    |

**This analysis considers all agency responses.**

# Library (L Class)

## Capital Budget Summary



- The Proposed Capital Budget and Program includes 8 projects: 5 stand-alone/one-time and 3 multi-year/recurring.
- New project funding is provided for Brooklyn Park Lib Elevator (Project #L590700) for \$407,000 in FY25 General Fund PayGo.
- State infrastructure funding assumptions: New Glen Burnie Library (Project #L576100) has FY25 Other State Grants funding of \$1,398,000 as shown in the state capital budget bill.

## Capital Budget – Key Observations

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1. **Project Description – Brooklyn Park Lib Elevator (Project #L590700)** – The FY25 funding of \$407,000 in General Fund PAYGO is for project design costs. Please note that while this project is for the construction of an elevator and associated floor plan changes to the building to provide for safe circulation to and around the new elevator, it also includes a study to develop options for exterior envelope (window) improvements, the addition of sprinklers, lighting and window treatment replacement, parking lot and sidewalk improvements, and the addition of four electric vehicle spaces at the Library per the cost estimate calculation and related facility assessment.

2. The following are key observations planned for certain multiyear projects:

**Library Renovation (Project #L479600)** - The FY25 request of \$820,000 in General County Bonds includes projects at library headquarters for the Information Technology Department and at the Linthicum, Deale, Severna Park, and Edgewater Libraries.

**Library Proj Plan (Project L542400)** - The FY25 request of \$500,000 in General Fund PAYGO is for feasibility studies totaling \$250,000 each for the Crofton Library Meeting Room Expansion and the Deale Library Expansion.

## Appendix: Chart Data

### FY24 Capital Budget and Program Approved vs FY25 Prior Approved

| Funding Source       | FY24 Prior Approved | FY24 Approved | Prior Approved |
|----------------------|---------------------|---------------|----------------|
| Bonds                | -                   | -             | 13,902,146     |
| Paygo                | -                   | -             | 5,931,564      |
| Impact Fees          | -                   | -             | -              |
| Grants & Aid         | -                   | -             | -              |
| Other State Grants   | -                   | -             | 3,960,564      |
| <b>FY25 Proposed</b> | -                   | -             | 23,794,274     |
| FY24 Approved        | 41,067,570          | 3,992,000     | 45,059,570     |

### FY24 Approved vs FY25 Proposed

| Funding Source       | Prior Approved | FY25       | FY26       | FY27    | FY28      | FY29    | FY30       | Total Proposed |
|----------------------|----------------|------------|------------|---------|-----------|---------|------------|----------------|
| Bonds                | 13,902,146     | 29,877,000 | 12,004,000 | 350,000 | 3,047,000 | 350,000 | 19,221,500 | 64,849,500     |
| Paygo                | 5,931,564      | (381,000)  | -          | -       | -         | -       | -          | (381,000)      |
| Impact Fees          | -              | -          | -          | -       | -         | -       | -          | -              |
| Grants & Aid         | -              | -          | -          | -       | -         | -       | -          | -              |
| Other State Grants   | 3,960,564      | 1,398,000  | -          | -       | -         | -       | -          | 1,398,000      |
| <b>FY25 Proposed</b> | 23,794,274     | 30,894,000 | 12,004,000 | 350,000 | 3,047,000 | 350,000 | 19,221,500 | 65,866,500     |
| FY24 Approved        | 45,059,570     | 28,999,000 | 13,901,000 | 350,000 | 3,021,000 | 350,000 | -          | 46,621,000     |



Legislation Review

# Review of the Fiscal Year 2025 Proposed Capital Budget and Program Public Safety (F Class)

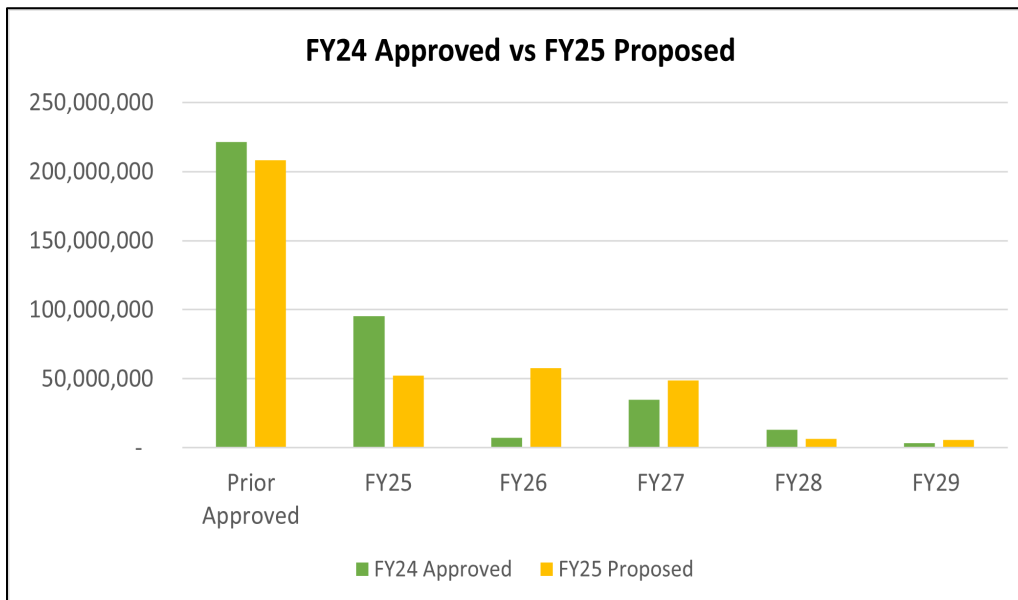
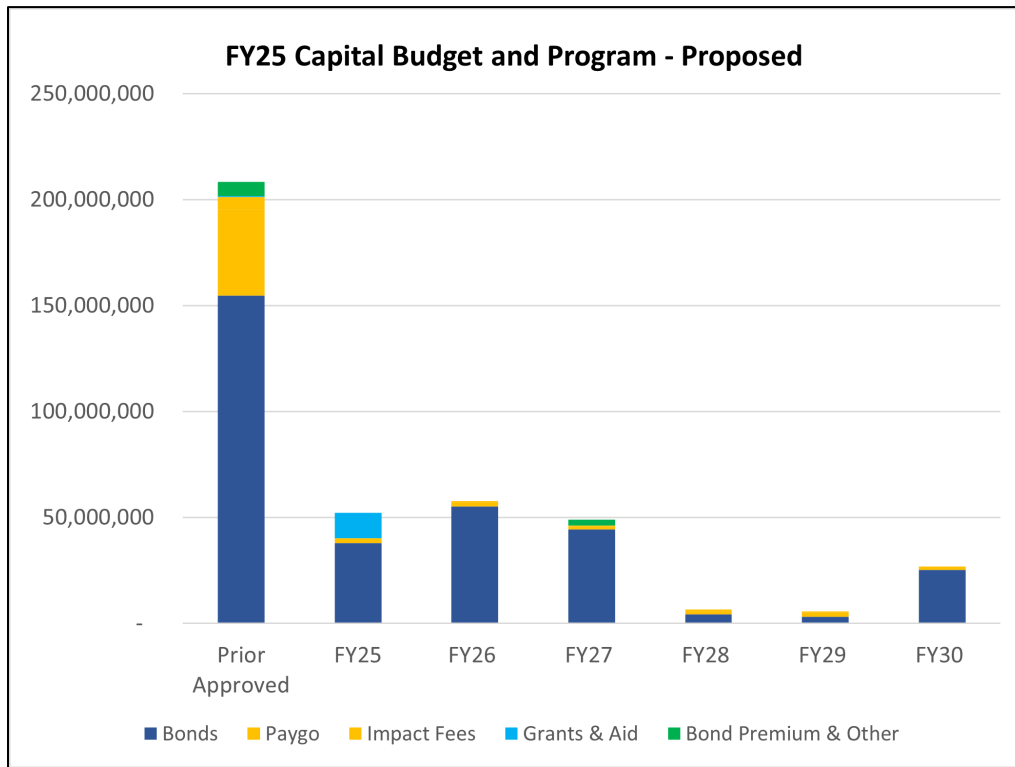
Report Date: May 22, 2024  
Hearing Date: May 23, 2024

|  |   |
|--|---|
| <b>Questions Sent to Agency:</b>       | <b>April 15, 2024; May 2, 2024; May 9, 2024; May 15, 2024; &amp; May 17, 2024</b> |
| <b>Responses Received from Agency:</b> | <b>May 3; May 7, 2024; May 15, 2024; &amp; May 21, 2024</b>                       |

**This analysis considers all agency responses.**

# Public Safety (F Class)

## Capital Budget Summary



Note: Chart data provided in the Appendix



- The two projects receiving the largest FY25 funding amounts in the FY25 Proposed Capital Budget are:
  - \$23,626,000 for New Police Firing Range (Project #F586600, p. 83 of the capital budget book), and
  - \$23,331,000 for Joint 911 Public Safety Ctr (Project #F586400, p. 82).
- The FY25 Proposed Capital Budget and Program includes 33 projects: 24 stand-alone/one-time and 9 multi-year/recurring.
- There are no new projects added to the FY25 Proposed Capital Budget and Program for Public Safety.
- There are four projects with significant project funding increases in the FY25 Proposed Capital Budget and Program:
  - Fire Training Academy (Project #F580200, p. 74), adds \$7,266,000 of General County Bonds to the project and moves \$7,950,000 of General County Bonds to FY26 for utility installation to the site. The FY30 General County Bonds of \$7,131,000 was added for site remediation. The construction of the Fire Training Academy is beyond the six-year program and is not included in the project total.
  - Arundel Fire Station Replace. (Project #F582900, p. 77), adds \$4,728,000 of General County Bonds to the project and increases FY29 General County Bonds of \$1,811,000 for land acquisition and adds General County Bonds of \$2,917,000 in FY30 for design. The construction of the Arundel Fire Station Replace. Project is beyond the six-year program and is not included in the project total.
  - Waugh Chapel Fire Station Repl (Project #F583000, p. 78), adds \$11,454,000 of General County Bonds to the project, moves General County Bonds of \$3,255,000 for design to FY28, and adds General County Bonds of \$14,144,000 for the initial construction phase to FY30. The total construction cost of the Waugh Chapel Fire Station Repl is beyond the six-year program and is not included in the project total.
  - New Northern Dist Pol Station (Project #F589500, p. 84), adds \$16,050,000 of General County Bonds to the project for design and construction costs. The Administration has determined that the new building will be built at the current station location. Design is anticipated to begin by August 2024.
- Federal and state infrastructure funding assumptions: Joint 911 Public Safety Ctr (Project #F586400, p. 82) has FY25 Other Fed Grants funding of \$2,000,000 from the US Federal Emergency Management Agency and FY25 Other State Grants funding of \$10,000,000 as shown in the state capital budget bill.

## Capital Budget – Key Observations and Recommendations

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1. **Calculation Error – Police Training Academy (Project #F563000, p. 87)** – Our review disclosed calculation errors in the project cost estimates for phase 2. As a result, the Administration reduced the project budget for phase 2 by \$170,000. **Therefore, we recommend reducing prior approved General County Bonds by \$170,000.**
2. **Project Complete – New Police C.I.D. Facility (Project #F572800, p. 90)** – This project is complete and the Administration has determined that project funds can be reduced by \$90,000. **Therefore, we recommend reducing prior approved Public Safety Impact Fees by \$90,000.**
3. **Cost Estimate – Evidence & Forensic Sci Unit (Project #F575100, p. 93)** – Our review disclosed that a contract was awarded for construction (\$24,369,234); however, a higher cost estimate was used to determine the overall project cost (\$26,349,000). In addition, the project includes contingency funds of \$2,750,200. The Administration would like to retain the excess in the project for potential future changes. In light of the existing contingency provision and the existence of a contract award, we recommend reducing the project budget to the estimated cost using the contract award amount. **Therefore, we recommend reducing prior approved General County Bonds by \$2,095,000.**
4. **Project Complete – Zetron Tone Generator (Project #F580400, p. 96)** – This project is complete and the Administration has determined that project funds can be reduced by \$90,000. **Therefore, we recommend reducing prior approved General Fund PAYGO by \$90,000.**

## Appendix: Chart Data

### FY25 Proposed Capital Budget and Program vs 24 Approved

| Funding Source       | Prior Approved     | FY25              | FY26              | FY27              | FY28             | FY29             | FY30              | Total Proposed     |
|----------------------|--------------------|-------------------|-------------------|-------------------|------------------|------------------|-------------------|--------------------|
| Bonds                | 154,587,358        | 37,821,000        | 55,164,000        | 44,310,000        | 4,278,000        | 3,139,000        | 25,117,000        | 169,829,000        |
| General Fund PAYGO   | 40,613,935         | 2,358,760         | 1,804,760         | 1,315,860         | 1,561,860        | 1,922,360        | 1,750,000         | 10,713,600         |
| Impact Fees          | 6,071,800          | -                 | 700,000           | 600,000           | 800,000          | 500,000          | -                 | 2,600,000          |
| Grants & Aid         | 471,500            | 12,000,000        | -                 | -                 | -                | -                | -                 | 12,000,000         |
| Bond Premium & Other | 6,508,000          | -                 | -                 | 2,692,000         | -                | -                | -                 | 2,692,000          |
| <b>FY25 Proposed</b> | <b>208,252,593</b> | <b>52,179,760</b> | <b>57,668,760</b> | <b>48,917,860</b> | <b>6,639,860</b> | <b>5,561,360</b> | <b>26,867,000</b> | <b>197,834,600</b> |
| FY24 Approved        | 221,312,494        | 95,419,300        | 7,398,000         | 34,903,900        | 13,229,900       | 3,460,360        | -                 | 154,411,460        |



Legislation Review

# Review of the Fiscal Year 2025 Proposed Capital Budget and Program Recreation & Parks (P Class)

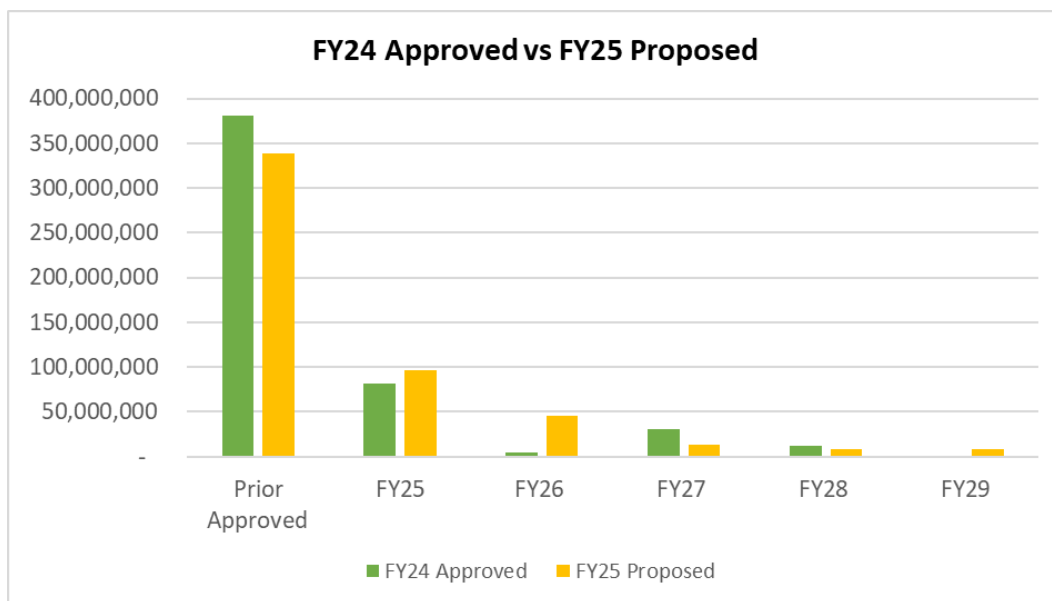
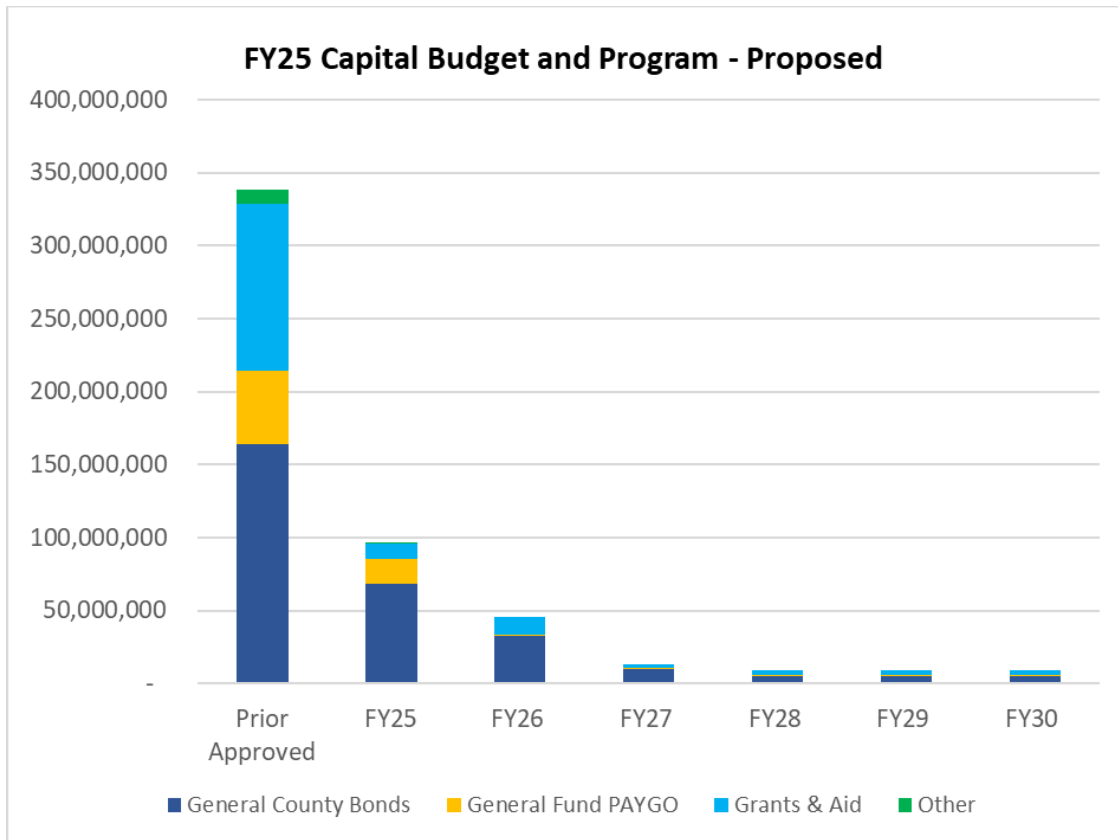
Report Date: May 20, 2024  
Hearing Date: May 21, 2024

|  |  |
|--|--|
| <b>Questions Sent to Agency:</b>       | <b>April 25, 2024; May 18, 2024</b>                                      |
| <b>Responses Received from Agency:</b> | <b>May 2, 2024, May 3, 2024, &amp; May 9, 2024; Waiting on Responses</b> |

**This analysis considers all agency responses.**

# Recreation & Parks (P Class)

## Capital Budget Summary



Note: Chart data provided in the Appendix

- The five projects receiving the largest FY25 funding amounts in the FY25 Proposed Capital Budget are:
  - \$15,926,000 for Eisenhower Golf Course (Project #P570200, p. 120 of the capital budget book),
  - \$14,192,000 for Brooklyn Park Community Center (Project #P579000, p. 126),
  - \$11,483,000 for Edgewater Reg Recr Imprv (Project #P592600, p. 135),
  - \$9,869,000 for Stream/Shoreline Erosion Ctrl (Project #P468700, p. 111), and
  - \$8,200,000 for Park Renovation (Project #P479800, p. 112).
- The FY25 Proposed Capital Budget and Program includes 51 projects: 42 stand-alone/one-time and 9 multi-year/recurring.
- New project funding is provided for:
  - Davidsonville Rec Ctr Reno (Project #P592500, p. 134) for \$664,000 in FY25 General Fund PAYGO and \$2,439,000 in FY26 General County Bonds for the planning, design, permitting, and construction of facility and fields replacement and improvements at the Davidsonville Recreation Center.
  - Edgewater Reg Recr Imprv (Project #P592600, p. 135) for \$9,671,037 in FY25 General County Bonds, \$1,000,000 in FY25 General Fund PAYGO, and \$811,963 in FY25 POS-Development funding for design and construction activities associated with an existing building that will result in a new community center.
  - Marley Creek Regional Park (Project #P592700, p. 136) for \$676,000 in FY25 General Fund PAYGO, \$530,000 in FY26 General County Bonds, and \$4,197,000 in FY27 General County Bonds for the planning, design, permitting, and construction of a new Glen Burnie Area Regional Park.
- Significant changes in project scheduling include:
  - West County Swim Center (Project #P579900, p. 148) removal of \$18,457,000 in FY26 General County Bonds due to the lack of a finalized location.
  - Odenton Library Community Park (Project #P584400, p. 151) removal of \$3,667,000 in FY26 General County Bonds due to not acquiring the nearby section of railroad tracks for Phase 2.
- Two projects reflect allocation of American Rescue Plan Act funding, which must be obligated by December 31, 2024 and expended by December 31, 2026:
  - \$1,320,000 for Facility Lighting (Project #P445800, p. 108), and
  - \$1,000,000 for Brooklyn Park Community Center (Project #P579000, p. 126).

## Capital Budget – Key Observations and Recommendations

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- 1. Project Schedule Changes – WB & A Trail (Project #P393600, p. 106)** – The FY25 Proposed Capital Budget and Program provides \$1,457,000 in FY25 General County Bonds, \$500,000 in FY25 General Fund PAYGO, and reflects a \$266,000 decrease in FY25 Other State Grants. An alignment study is still underway and design has not begun for the Phase 4 project. We are still working with the Administration to understand the procurement timeline and related funding requirements.
- 2. Inadequate Support – Facility Lighting (Project #P445800, p. 108)** – The FY25 Proposed Capital Budget and Program provides \$1,320,000 in FY25 ARP funding and \$90,000 in FY25 General County Bonds. The proposed FY25 project list totals \$950,000, \$460,000 less than budgeted, and reflects \$450,000 for Maryland City Park and \$500,000 for Bachman Sports Complex. The proposed FY25 budget also allocates \$121,000 to a DRP pass through, which we are still working with the Administration to understand. **Therefore, we recommend deleting \$90,000 in FY25 General County Bonds and reducing FY25 ARP funding by \$249,000.**
- 3. Inadequate Support – R & P Project Plan (Project #P452500, p. 109)** – The FY25 Proposed Capital Budget and Program provides \$1,363,000 in FY25 General Fund PAYGO and \$25,000 in FY25 POS-Acquisition funding. FY25 funding is provided for seven projects including: Biannual Bridge Inspections (\$250,000), Compass Point Golf Course Needs Assessment (\$200,000), West County Parks Study (Grover Rd/Two Rivers) (\$250,000), South County Recreation Center Needs/Feasibility Study (\$250,000), and Master Planning Lake Shore Trail (\$200,000). The proposed FY25 project list totals \$1,325,000, \$63,000 less than budgeted. **Therefore, we recommend reducing FY25 General Fund PAYGO by \$63,000.**
- 4. Project Schedule Changes – Stream/Shoreline Erosion Ctrl (Project #P468700, p. 111)** – The FY25 Proposed Capital Budget and Program provides \$9,369,000 in FY25 General County Bonds, \$500,000 in FY25 General Fund PAYGO, and \$13,488,000 in FY26 General County Bonds. The child project (Project #P468719) at Quiet Waters Park has not begun design, funding is budgeted for construction in FY26, and the projected bid date is uncertain. We are still working with the Administration to understand the procurement timeline and related funding requirements.
- 5. Revised Estimate - N Arundel Swim Ctr Campus Imp (Project #P570000, p. 119)**  
The FY25 Proposed Capital Budget and Program provides \$3,002,000 in FY25 General County Bonds, which includes \$1,000,000 for lighting the new facilities. This lighting estimate exceeds the most expensive FY24 lighting project budgeted in Facility Lighting (Project #P445800, p. 108), which is \$610,000 for Northeast Middle School, as well as the average FY24 project cost of \$475,000. We are still working with the Administration to understand funding requirements.

6. **Bid Under Estimate – Brooklyn Park Community Center (Project #P579000, p. 126)** – The FY25 Proposed Capital Budget and Program provides \$11,942,000 in FY25 General County Bonds, \$1,000,000 in FY25 in General Fund PAYGO, \$1,000,000 in FY25 ARP Grant funding, and \$250,000 in FY25 Other State Grants funding. A project construction bid was \$1,200,000 less than estimated, but an unforeseen condition is requiring redesign of water services at an estimated cost of \$500,000. We are still working with the Administration to understand the procurement timeline and related funding requirements.
  
7. **Project Schedule Changes – South Shore Trail (Project #P372000, p. 105)** – The FY25 Proposed Capital Budget and Program provides \$3,443,781 in FY25 General County Bonds, \$75 in FY25 POS-Acquisition funds, and \$7,144 in FY25 POS-Development funds. The project has been deferred due to property acquisition challenges, and the County may secure state Transportation Alternatives Program grant funding for the project. We are still working with the Administration to understand the procurement timeline and related funding requirements.



## Appendix: Chart Data

### FY25 Proposed Capital Budget and Program vs FY24 Approved

| Funding Source       | Prior Approved     | FY25              | FY26              | FY27              | FY28             | FY29             | FY30             | Total Proposed     |
|----------------------|--------------------|-------------------|-------------------|-------------------|------------------|------------------|------------------|--------------------|
| General County Bonds | 164,253,032        | 68,420,273        | 32,843,000        | 9,723,000         | 5,222,000        | 5,222,000        | 5,222,000        | 126,652,273        |
| General Fund PAYGO   | 49,928,524         | 16,806,000        | 500,000           | 646,000           | 500,000          | 500,000          | 500,000          | 19,452,000         |
| Impact Fees          | -                  | -                 | -                 | -                 | -                | -                | -                | -                  |
| Grants & Aid         | 114,725,226        | 10,901,154        | 12,594,000        | 3,025,000         | 3,025,000        | 3,025,000        | 3,025,000        | 35,595,154         |
| Other                | 9,789,666          | 499,545           | -                 | -                 | -                | -                | -                | 499,545            |
| <b>FY25 Proposed</b> | <b>338,696,449</b> | <b>96,626,972</b> | <b>45,937,000</b> | <b>13,394,000</b> | <b>8,747,000</b> | <b>8,747,000</b> | <b>8,747,000</b> | <b>182,198,972</b> |
| FY24 Approved        | 380,426,898        | 81,728,000        | 4,844,000         | 30,116,000        | 11,488,000       | 1,428,000        |                  | 129,604,000        |



Legislation Review

# Review of the Fiscal Year 2025 Proposed Capital Budget and Program Roads and Bridges (H Class)

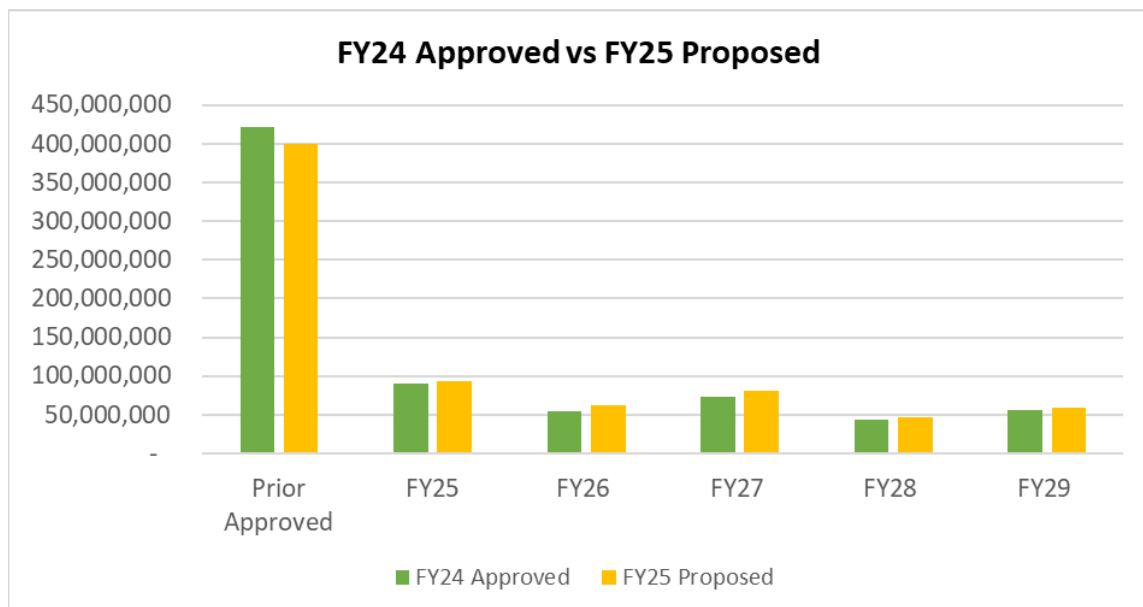
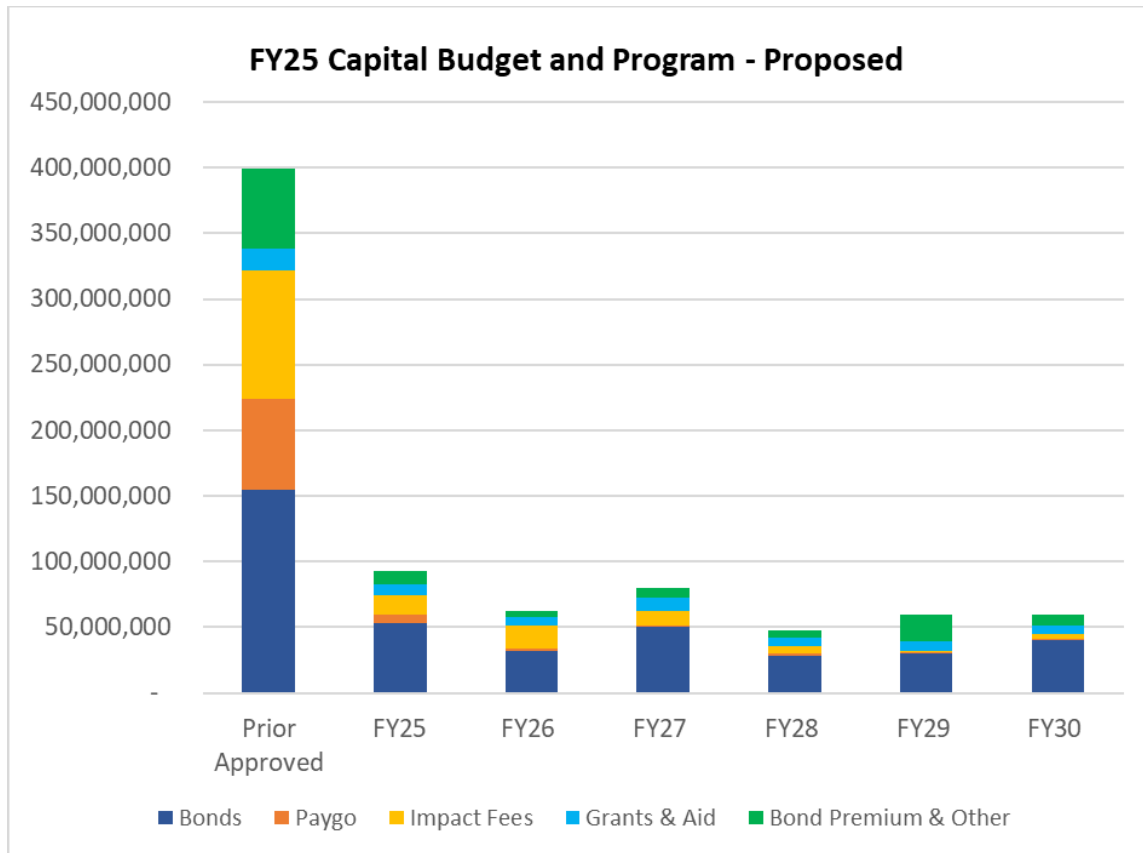
Report Date: May 15, 2024  
Hearing Date: May 16, 2024

|  |  |
|--|--|
| <b>Questions Sent to Agency:</b>       | <b>May 3, 2024; Multiple Additional Rounds</b>   |
| <b>Responses Received from Agency:</b> | <b>May 8, 2024; Waiting on Certain Responses</b> |

**This analysis considers all agency responses.**

# Roads and Bridges and Traffic (H Class)

## Capital Budget Summary



Note: Chart data provided in the Appendix

- The four projects receiving the largest FY25 funding amounts in the FY25 Proposed Capital Budget are:
  - \$15,175,000 for Road Resurfacing (Project #H478600, p. 163 of the capital budget book),
  - \$13,032,000 for BWI Trail Ext/Belle Grove Imp (Project #H590500, p. 206),
  - \$12,427,000 for Jumpers Hole Rd Improvements (Project #H575600, p. 182), and
  - \$11,975,000 for Rd Reconstruction (Project #H478900, p. 166).
- The FY25 Proposed Capital Budget and Program includes 78 projects: 58 stand-alone/one-time and 20 multi-year/recurring.
- Three projects replace previously approved FY25 funding amounts with new funds from different sources:
  - Road Resurfacing (Project #H478600, p. 163) replaces \$4,000,000 in General County Bonds with Bond Premium.
  - Rd Reconstruction (Project #H478900, p. 166) replaces \$4,500,000 in General County Bonds with Bond Premium.
  - Jumpers Hole Rd Improvements (Project #H575600, p. 182) replaces \$4,500,000 in Hwy Impact Fees Dist 3 with General County Bonds.
- New project funding is provided for the following:
  - Gambrills/Dicus Mill Rd Imprv (Project #H591900, p. 208) for \$1,439,000 in General Fund PAYGO with design and land costs budgeted in FY25.
  - Brooklyn Park Mobility Imprv (Project #H592000, p. 209) for \$1,208,000 in General Fund PAYGO with design costs budgeted in FY25.
  - Forest Drive Safety Imprv (Project #H592100, p. 210) for \$617,000 in General Fund PAYGO with design and construction costs budgeted in FY25.
  - Stevenson Dr School Acc Imprv (Project #H592200, p. 211) for \$254,000 in General Fund PAYGO with design costs budgeted in FY25.
- Route 3 Improvements (Project #H581600, p. 187) to add an additional westbound lane on Millersville Road at MD 3 NB intersection which increased the project by approximately \$900,000.

## Capital Budget – Key Observations and Recommendations

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- 1. Calculation Error – Town Cntr To Reece Rd (Project #H371200, p. 213) –** Our review disclosed calculation errors in the project cost estimates. As a result, the Administration reduced the project budget by \$316,000. **Therefore, we recommend reducing FY25 Hwy Impact Fees Dist 4 funds by \$316,000.**
- 2. Grant Funding Error – Trans Facility Planning (Project #H539600, p. 171) –** Our review disclosed an error in the Other State Grants amount funding listed in the FY25 Proposed Budget. **Therefore, we recommend deleting FY25 Other State Grants by \$80,000 to agree with the related award amount.**
- 3. Calculation Error and Reduced Cost Estimates – Hanover Road Corridor Imprv (Project #H566700, p. 178) –** Our review disclosed that due to a correction of a

calculation error and the correction of an error in state funding, the overall project budget was reduced by \$800,000. **Therefore, we recommend deleting the FY25 Hwy Impact Fees Dist 1 funds of \$250,000 and reducing FY29 Developer Contribution funds by \$550,000.**

4. **Calculation Error – Odenton Area Sidewalks (Project #H579700, p. 226)** – Our review disclosed a calculation error in the project cost estimate that reduced the project costs by \$64,000. **Therefore, we recommend reducing prior approved General County Bonds by \$64,000.**
5. **Contract Awarded/Costs Reduced – Oakwood/Old Mill Blvd Roundabo (Project #H583500, p. 234)** – A construction contract was awarded for less than the Administration’s estimate resulting in an overall reduction in project costs of \$290,000. **Therefore, we recommend reducing prior approved Hwy Impact Fees Dist 1 funds or PPI Bonds by \$290,000.**
6. **Change in Cost Estimate – Pleasant Plains Rd Safety Im (Project #H583700, p. 191)** – The Administration revised the project’s utility cost estimate resulting in a project cost reduction of \$828,000. **Therefore, we recommend deleting the FY25 General County Bonds of \$275,000 and reducing prior approved General County Bonds by \$553,000.**
7. **Calculation Error – Duvall Hwy Access Imp (Project #H583800, p. 192)** – Our review disclosed a calculation error in the project cost estimate that reduced the project costs by \$157,000. **Therefore, we recommend reducing FY25 Hwy Impact Fees Dist 2 funds by \$157,000.**
8. **Calculation Error – Bluewater/Milestone SUPs (Project #H587300, p. 199)** – Our review disclosed a calculation error in the project cost estimate that reduced the project costs by \$146,000. **Therefore, we recommend reducing FY25 General County Bonds by \$146,000.**
9. **Calculation Error – Ridge Rd Improvements (Project #H589800, p. 202)** – Our review disclosed a calculation error in the project cost estimate that reduced the project costs by \$315,000. **Therefore, we recommend reducing FY25 General County Bonds by \$315,000.**

## Appendix: Chart Data

### FY25 Proposed Capital Budget and Program vs FY24 Approved

| Funding Source       | Prior Approved     | FY25              | FY26              | FY27              | FY28              | FY29              | FY30              | Total Proposed     |
|----------------------|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| Bonds                | 155,086,859        | 52,911,300        | 31,549,760        | 50,064,860        | 28,604,860        | 30,185,360        | 40,073,000        | 233,389,140        |
| Paygo                | 68,669,354         | 6,585,700         | 1,776,240         | 1,296,140         | 1,050,140         | 689,640           | 862,000           | 12,259,860         |
| Impact Fees          | 97,919,219         | 15,189,000        | 17,614,000        | 11,402,000        | 6,185,000         | 1,000,000         | 4,269,000         | 55,659,000         |
| Grants & Aid         | 16,782,453         | 8,287,000         | 6,550,000         | 9,833,000         | 6,550,000         | 7,550,000         | 6,550,000         | 45,320,000         |
| Bond Premium & Other | 60,619,796         | 9,946,000         | 5,000,000         | 7,500,000         | 4,850,000         | 20,235,000        | 7,976,000         | 55,507,000         |
| <b>FY25 Proposed</b> | <b>399,077,681</b> | <b>92,919,000</b> | <b>62,490,000</b> | <b>80,096,000</b> | <b>47,240,000</b> | <b>59,660,000</b> | <b>59,730,000</b> | <b>402,135,000</b> |
| FY24 Approved        | 422,186,097        | 90,841,000        | 54,223,000        | 73,561,000        | 43,917,000        | 55,597,000        |                   | 318,139,000        |



Legislation Review

# Review of the Fiscal Year 2025 Proposed Capital Budget and Program Waste Management (N Class)

Report Date: May 15, 2024

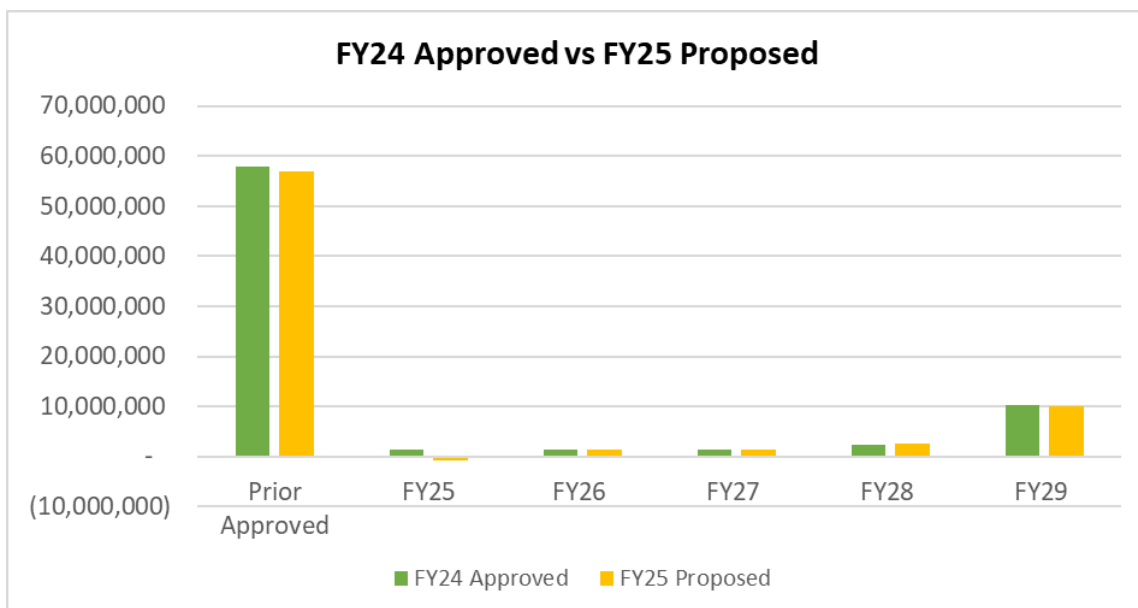
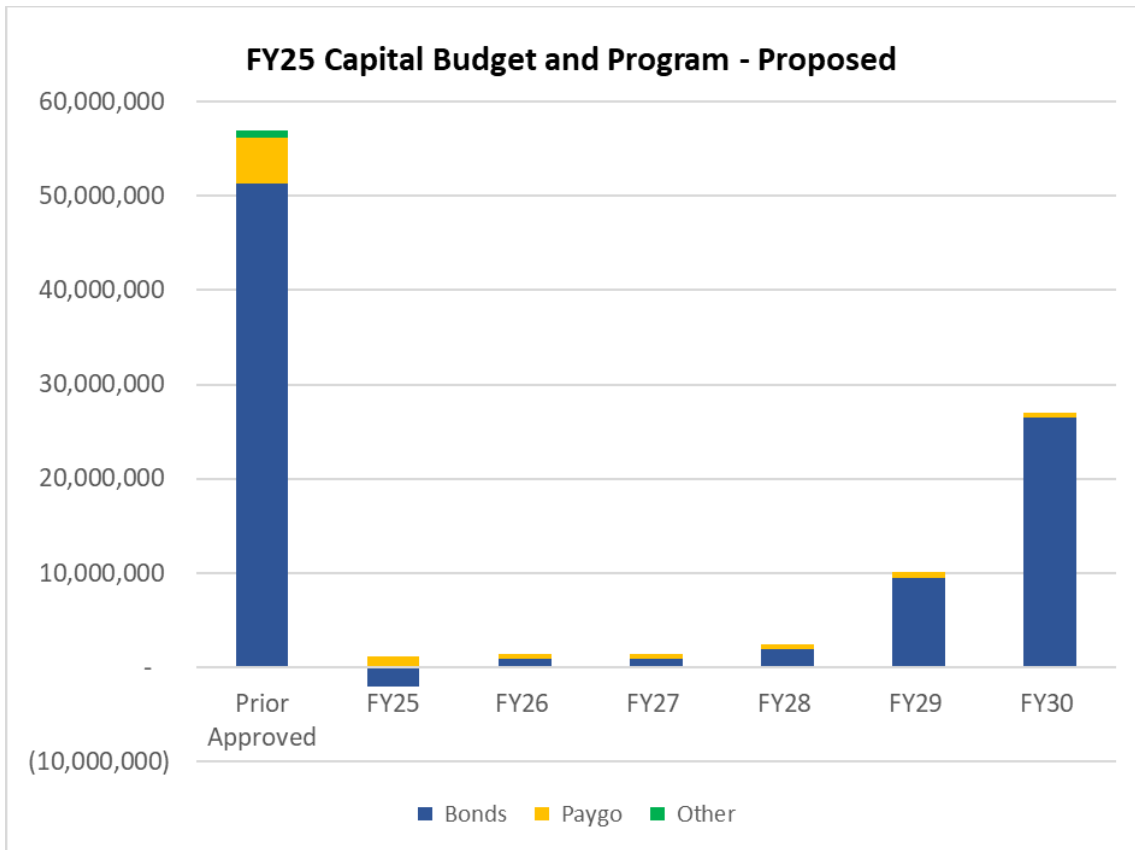
Hearing Date: May 16, 2024

|  |                       |
|--|-----------------------|
| <b>Questions Sent to Agency:</b>       | <b>April 28, 2024</b> |
| <b>Responses Received from Agency:</b> | <b>May 2, 2024</b>    |

**This analysis considers all agency responses.**

# Waste Management (N Class)

## Capital Budget Summary



Note: Chart data provided in Appendix



- The FY25 Proposed Capital Budget and Program includes 12 projects: 10 stand-alone/one-time and 2 multi-year/recurring.
- Funding Changes to three existing projects in the FY25 Proposed Capital Budget:
  - \$586,000 increase of Solid Wst Mgmt PAYGO for SW Project Planning (Project #N422700, p. 366 of the capital budget book) for design work related to several projects, including a pre-treatment technology and pilot organics processing project, and maintenance building improvements at the Millersville Landfill and Resource Recovery Facility.
  - \$2,040,000 increase in Solid Waste Bonds (\$1,485,000) and Solid Wst Mgmt PAYGO (\$555,000) for Solid Waste Renovations (Project #N526900, p. 367) for 12 potential projects, such as Northern Recycling Center Maintenance Building Renovation.
  - \$3,489,000 reduction in Solid Waste Bonds to MLF Subcell 9.3 Design/Const. (Project #N578800, p. 368) at the Millersville Landfill and Resource Recovery Facility due to updated cost estimates. The project is out to bid and the Department of Public Works (DPW) is currently scheduled to receive bids on May 30, 2024.

## Capital Budget – Key Observation

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1. **Funding for Landfill Buffer Exp (Project #N535400, p. 374)** – As of March 31, 2024, this project had a fund balance of \$1,745,120. The FY24 budget included \$1,314,000 to support for two potential property acquisitions located adjacent to the Millersville Landfill and Resource Recovery Facility complex. DPW advised this funding is being maintained since there has been intermittent contact with both homeowners who have expressed interest in potentially selling their properties to the County based on a letter sent by DPW in October 2022.

## Appendix: Chart Data

### FY25 Proposed Capital Budget and Program vs FY24 Approved

| Funding Source       | Prior Approved | FY25        | FY26      | FY27      | FY28      | FY29       | FY30       | Total Proposed |
|----------------------|----------------|-------------|-----------|-----------|-----------|------------|------------|----------------|
| Bonds                | 51,276,910     | (2,034,000) | 885,000   | 885,000   | 1,925,000 | 9,500,000  | 26,469,000 | 37,630,000     |
| Paygo                | 4,906,902      | 1,141,000   | 555,000   | 555,000   | 555,000   | 555,000    | 555,000    | 3,916,000      |
| Impact Fees          | -              | -           | -         | -         | -         | -          | -          | -              |
| Grants & Aid         | -              | -           | -         | -         | -         | -          | -          | -              |
| Other                | 750,000        | -           | -         | -         | -         | -          | -          | -              |
| <b>FY25 Proposed</b> | 56,933,812     | (893,000)   | 1,440,000 | 1,440,000 | 2,480,000 | 10,055,000 | 27,024,000 | 41,546,000     |
| FY24 Approved        | 57,924,016     | 1,440,000   | 1,440,000 | 1,440,000 | 2,287,000 | 10,287,000 |            | 16,894,000     |



Legislation Review

# Review of the Fiscal Year 2025 Proposed Capital Budget and Program Wastewater (S Class)

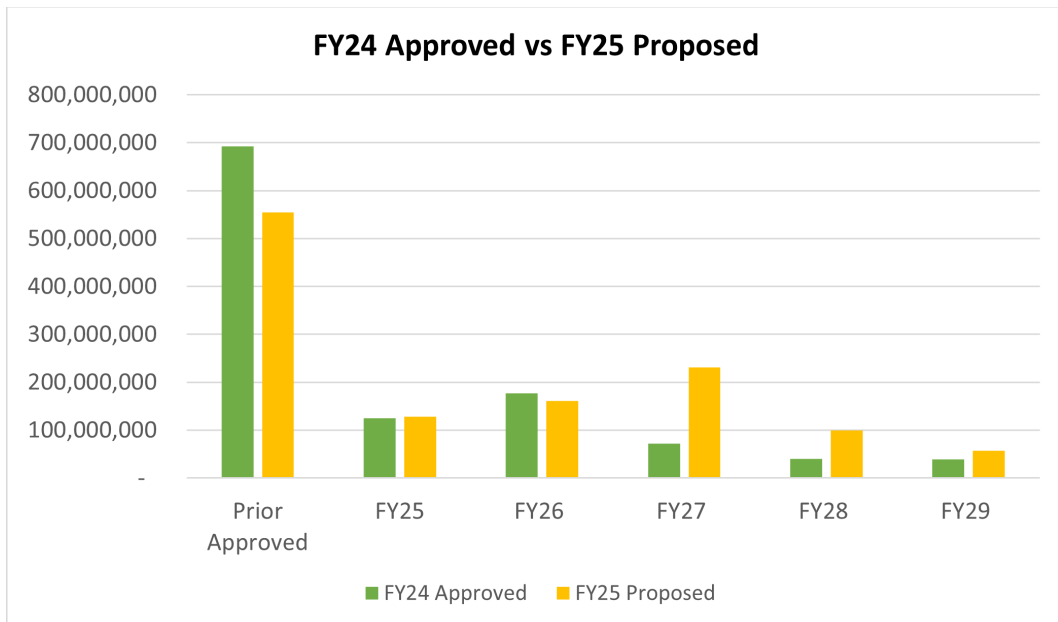
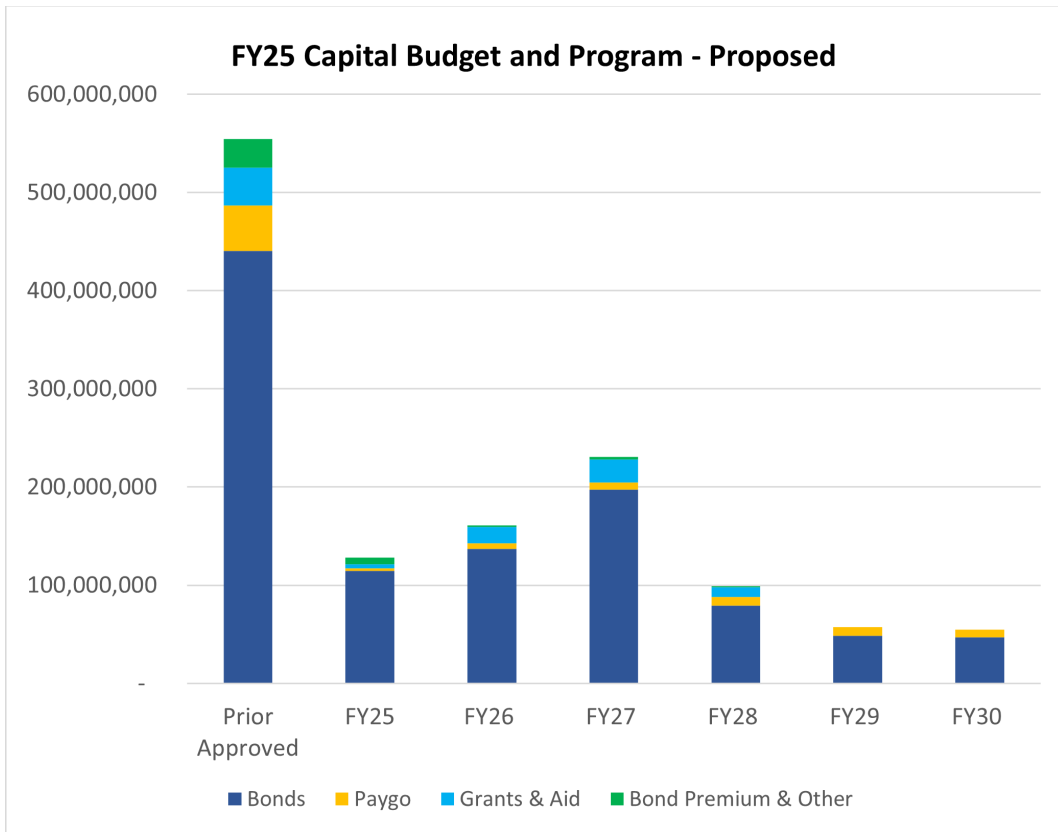
Report Date: May 15, 2024  
Hearing date: May 16, 2024

|  |                       |
|--|-----------------------|
| <b>Questions Sent to Agency:</b>       | <b>April 26, 2024</b> |
| <b>Responses Received from Agency:</b> | <b>May 3, 2024</b>    |

**This analysis considers all agency responses.**

# Wastewater (S Class)

## Capital Budget Summary



Note: Chart data provided in Appendix

- The FY25 Proposed Capital Budget and Program includes 49 projects: 37 stand-alone/one-time and 12 multi-year/recurring.
- New project funding is provided for:
  - Mayo Tank Replacement (Project #S810700, p. 409 of the capital budget book) for \$2,500,000 in FY25 WasteWater Bonds. The total capital budget and program provides funding of \$25,445,000 for the first six years of a 20-year replacement program; and
  - WRF Aeration System Imprv (Project #S810600, p. 408) for \$5,715,000 in FY25 WasteWater Bonds for improvements at the Annapolis, Broadneck, and Cox Creek Water Reclamation Facilities.
- The four projects receiving the largest FY25 funding amounts in the FY25 Proposed Capital Budget are:
  - \$22,200,000 for Upgr/Retrofit SPS (Project #791800, p. 387);
  - \$20,000,000 for Sewer Main Repl/Recon (Project #X738800, p. 410);
  - \$12,033,000 for Annapolis WRF Upgrade (Project #S807300, p. 397); and
  - \$11,987,000 for Biosolids Facility (Project #S810200, p. 406).

## Capital Budget – Key Observations

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- 1. Biosolids Facility (Project #S810200, p. 406)** – The Proposed FY25 Capital Budget and Program includes \$1,987,000 in FY25 WasteWater Bonds and \$10,000,000 in Other State Grants for continued design and initial construction funding for this project which has a \$132,290,000 total estimated cost. The project will ultimately treat all biosolids from the County’s six water reclamation facilities (WRFs). The Department of Public Works (DPW) advised it is pursuing additional grant opportunities to assist with the funding of this project. DPW advises that when operational, the facility may provide auxiliary revenue and operating costs savings in other County operations.
- 2. Change in Scope – Wastewater Strategic Plan (Project #S776700, p. 385)** – The proposed budget increases \$500,000 in FY25 WasteWater PAYGO over the planned amount. The \$500,000 is an allowance to support the procurement of a new utility allocation software system. There is a corresponding allocation of \$500,000 in the Water Strategic Plan (Project #W778800, p. 439) for a total of \$1,000,000 for this system.
- 3. Upg/Retrofit SPS (Project #S791800, p. 387)** – This program funds upgrades to the 271 existing sewage pumping stations. As of March 31, 2024, this project had an available balance of \$3,557,802. The FY25 Proposed Capital Budget and Program provides \$22,200,000, \$9,700,000 more than estimated in the FY24 Capital Budget. DPW has identified 22 projects totaling \$34,800,000 that could be funded. DPW states that it prioritizes projects within available funding based on the condition of the existing equipment and the risk and consequences of a failure; however, over the past five fiscal years, the expenditures for this program have not exceeded \$12,300,000. We are following up to determine if capacity exists to utilize the additional funds.

## Appendix: Chart Data

### FY25 Proposed Capital Budget and Program vs FY24 Approved

| Funding Source       | Prior Approved     | FY25               | FY26               | FY27               | FY28              | FY29              | FY30              | Total Proposed     |
|----------------------|--------------------|--------------------|--------------------|--------------------|-------------------|-------------------|-------------------|--------------------|
| Bonds                | 440,626,800        | 114,514,000        | 136,762,900        | 197,489,600        | 79,290,600        | 48,531,000        | 46,782,000        | 623,370,100        |
| Paygo                | 46,151,511         | 2,670,000          | 5,949,000          | 7,166,000          | 8,677,000         | 8,546,000         | 7,861,000         | 40,869,000         |
| Impact Fees          | -                  | -                  | -                  | -                  | -                 | -                 | -                 | -                  |
| Grants & Aid         | 38,373,000         | 4,200,000          | 16,894,200         | 23,300,800         | 9,700,800         | -                 | -                 | 54,095,800         |
| Bond Premium & Other | 29,514,287         | 6,960,000          | 1,326,900          | 2,912,600          | 1,212,600         | -                 | -                 | 12,412,100         |
| <b>FY25 Proposed</b> | <b>554,665,598</b> | <b>128,344,000</b> | <b>160,933,000</b> | <b>230,869,000</b> | <b>98,881,000</b> | <b>57,077,000</b> | <b>54,643,000</b> | <b>730,747,000</b> |
| FY24 Approved        | 692,350,413        | 124,908,000        | 176,582,000        | 71,601,000         | 40,340,000        | 38,789,000        |                   | 452,220,000        |



Legislation Review

# Review of the Fiscal Year 2025 Proposed Capital Budget and Program Water (W Class)

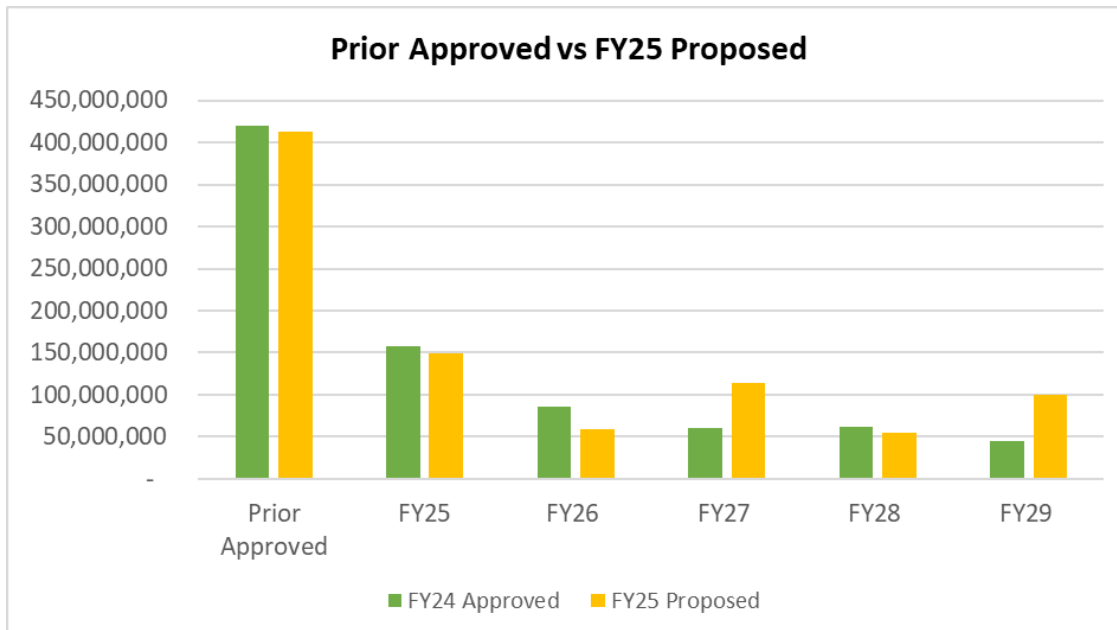
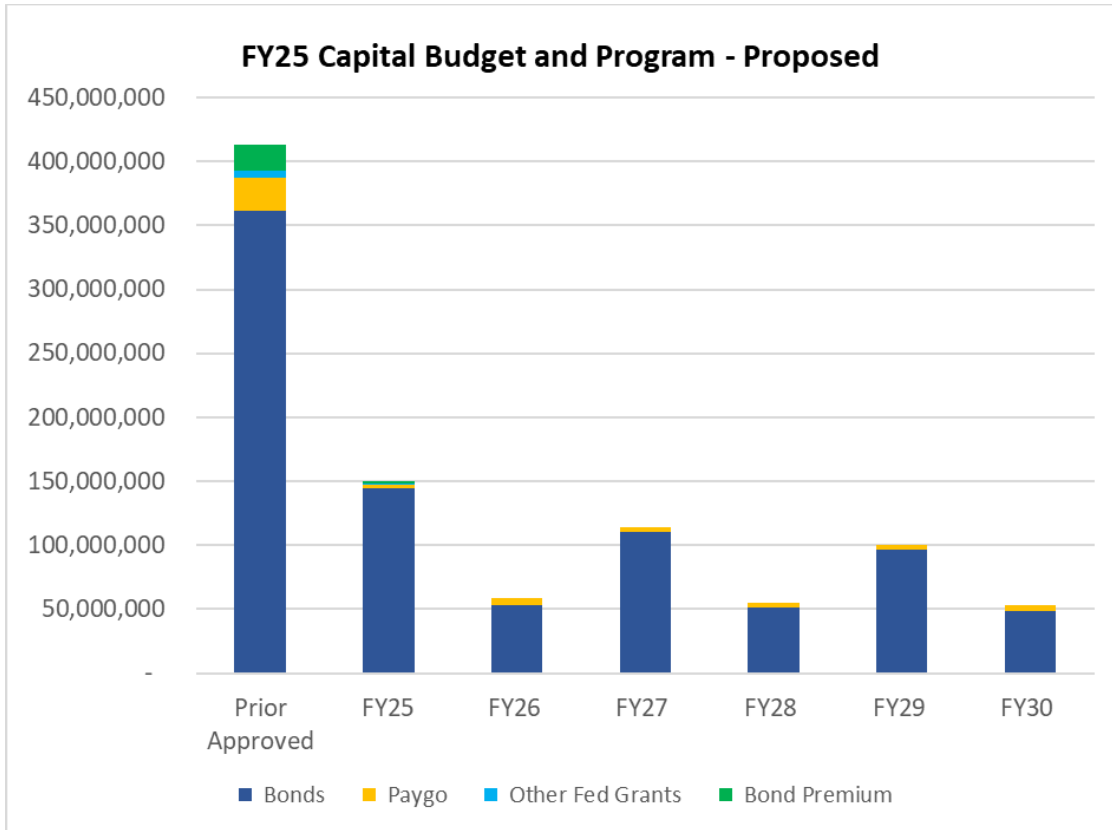
Report Date: May 15, 2024  
Hearing Date: May 16, 2024

|  |                       |
|--|-----------------------|
| <b>Questions Sent to Agency:</b>       | <b>April 25, 2024</b> |
| <b>Responses Received from Agency:</b> | <b>May 2, 2024</b>    |

**This analysis considers all agency responses.**

# Water (W Class)

## Capital Budget Summary



Note: Chart data provided in the Appendix



- The five projects receiving the largest FY25 funding amounts in the FY25 Proposed Capital Budget are:
  - \$42,041,000 for AMI Water Meter Program (Project #W809100, p 453 of the capital budget book),
  - \$33,510,000 for Crofton Meadows II Exp Ph 2 (Project #W801400, p. 443),
  - \$20,000,000 for East/West TM – North (Project #W803600, p. 447),
  - \$15,492,000 for Elevated Water Storage (Project #W799600, p. 442), and
  - \$12,200,000 for Water Main Repl/Recon (Project #X733700, p. 460).
- The Proposed Capital Budget and Program includes 43 projects: 30 stand-alone/one-time and 13 multi-year/recurring.
- Two projects replace previously approved FY25 funding amounts with new funds from different sources. Specifically, the Water Main Repl/Recon (Project #X733700, p. 460) replaces \$1,244,000 in Water Bonds with Bond Premium (\$1,200,000) and Water PAYGO (\$44,000) and the Lead Service Line Repl. (Project #W810500, p. 458) replaces \$959,752 in Water Bonds with Other Fed Grants (further described below).
- New project funding is provided for Heritage Harbor WM Interconnec (Project #W810800, p. 459) for \$960,000 in FY25 Water Bonds for installation of a new water main to interconnect portions of the existing Heritage Harbor area.
- Significant changes in project scheduling:
  - TM-MD Rte 32 @ Meade (Project #W801600, p. 444) construction costs have moved from FY25 to FY27 (\$9,346,000) and FY29 (\$46,519,000) due to challenges encountered during the easement process. The Administration is currently working on the easement process with Fort George G. Meade but is no longer pursuing easements with Patuxent Wildlife Refuge and are currently pursuing an alternative alignment to avoid the Refuge.
  - AMI Water Meter Program (Project #W809100, p. 453) project costs for FY25 increased by \$33,841,000 mainly due to an accelerated installation approach (replacement installation timeline was reduced from five years to three years) based on feedback from prospective vendors prior to procurement. The accelerated timeline moved the previously approved annual costs of \$8,200,000 budgeted in FY25 through FY28 to FY25.
- Federal infrastructure funding assumptions: Lead Service Line Repl. (Project #W810500, p. 458) has FY25 Other Fed Grants funding \$959,752 from the FY24 federal funding bill via the US Environmental Protection Agency to support the identification and replacement of water service lines.

## Capital Budget – Key Observations and Recommendations

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1. **Project Schedule Changes – Heritage Harbor WM Interconnec (Project #W810800, p. 459)** – The cost estimate shows the bid advertising date for the construction contract in FY27. As a result, construction costs of \$710,000 in FY25 and \$955,000 in FY26 should potentially be moved to FY26 and/or FY27; however, we are still working with the Administration to understand the procurement timeline and related funding requirements.
2. **Calculation Error – Crofton Meadows II WTP Upgr (Project #W778600, p. 438)** – Due to errors in the cost estimate calculation, the Administration revised the project budget resulting in excess project funds of \$1,339,000. **We recommend reducing FY25 Water Bonds by \$1,339,000.**
3. **Change in Scope – Water Strategic Plan (Project #W778800, p. 439)** – The proposed budget increases \$500,000 in FY25 over the planned amount. The \$500,000 is an allowance to support the procurement of a new utility allocation software system. There is a corresponding allocation of \$500,000 in the Wastewater Strategic Plan (Project #S776700) for a total of \$1,000,000 for this system.
4. **Change in Scope – Water Meter Replace/Upgrade (Project #W806300, p. 451)** – Project costs for FY25 totaling \$2,502,000 were removed due to water meter replacement costs now being programmed in the AMI Water Meter Program (Project #W809100).
5. **Change in Scope – Arnold WTP Upgrades (Project #W809600, p. 454)** – Construction has moved from FY25 to FY26 and project costs have increased by \$10,033,000 (from \$5,636,000 to \$15,669,000) due to the project scope addition of electrical power distribution equipment replacement and upgrades to the facility's fire alarm system.
6. **Change in Scope – Routine Water Extensions (Project #Y514200, p. 463)** – Changes the project scope cost limit for the construction of minor extensions and minor projects from \$250,000 to \$1,500,000. The construction of major extensions will be programmed and budgeted as separate capital projects when the projects are estimated to exceed the new threshold change. The Administration advised that the current limit significantly constricts the work that can be performed under this project.

## Appendix: Chart Data

### FY25 Proposed Capital Budget and Program vs FY24 Approved

| Funding Source       | Prior Approved     | FY25               | FY26              | FY27               | FY28              | FY29               | FY30              | Total Proposed     |
|----------------------|--------------------|--------------------|-------------------|--------------------|-------------------|--------------------|-------------------|--------------------|
| Bonds                | 361,043,086        | 144,261,248        | 53,286,000        | 109,936,000        | 51,453,000        | 96,942,000         | 48,935,000        | 504,813,248        |
| Paygo                | 26,202,038         | 3,225,000          | 5,428,000         | 4,186,000          | 3,350,000         | 3,350,000          | 3,850,000         | 23,389,000         |
| Impact Fees          | -                  | -                  | -                 | -                  | -                 | -                  | -                 | -                  |
| Other Fed Grants     | 5,350,000          | 959,752            | -                 | -                  | -                 | -                  | -                 | 959,752            |
| Bond Premium         | 20,240,000         | 1,200,000          | -                 | -                  | -                 | -                  | -                 | 1,200,000          |
| <b>FY25 Proposed</b> | <b>412,835,124</b> | <b>149,646,000</b> | <b>58,714,000</b> | <b>114,122,000</b> | <b>54,803,000</b> | <b>100,292,000</b> | <b>52,785,000</b> | <b>530,362,000</b> |
| FY24 Approved        | 420,363,309        | 158,287,000        | 86,530,000        | 60,411,000         | 61,447,000        | 44,852,000         |                   | 411,527,000        |



Legislation Review

# Review of the Fiscal Year 2025 Proposed Capital Budget and Program Watershed Protection & Restor. (B Class)

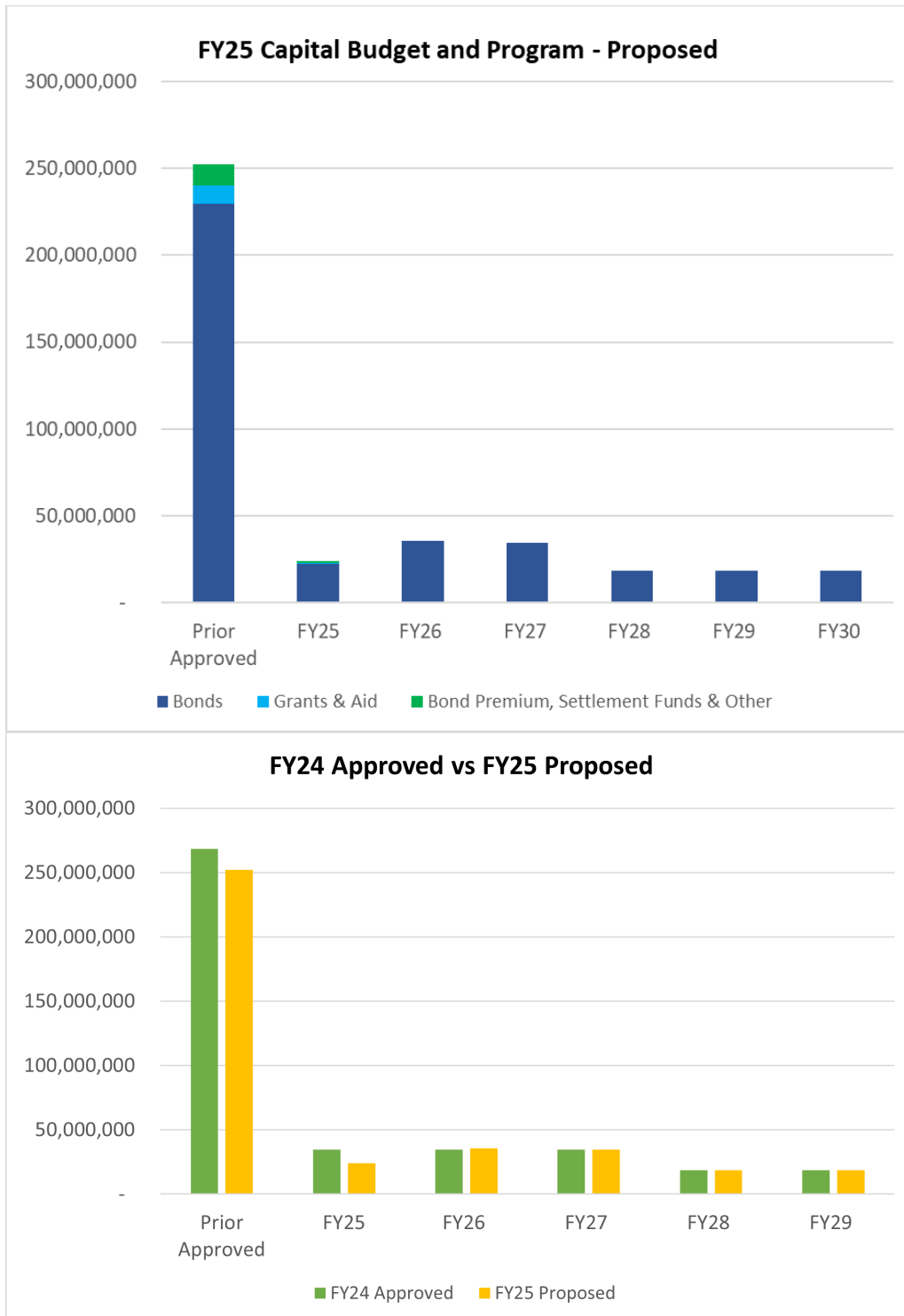
Report Date: May 15, 2024  
Hearing date: May 16, 2024

|  |                       |
|--|-----------------------|
| <b>Questions Sent to Agency:</b>       | <b>April 25, 2024</b> |
| <b>Responses Received from Agency:</b> | <b>May 2, 2024</b>    |

**This analysis considers all agency responses.**

# Watershed Protection & Restor. (B Class)

## Capital Budget Summary



Note: Chart data provided in Appendix

- The Proposed Capital Budget and Program includes 71 projects: 62 stand-alone/one-time and 9 multi-year/recurring.
- This program is supported with Watershed Protection and Restoration Fund Bonds, which are supported with revenue from stormwater remediation fee proceeds.
- The five projects receiving the largest FY25 funding amounts in the FY25 Proposed Capital Budget are:
  - \$5,245,000 for Clark Station Rd Resilience Im (Project #B582500, p. 512 of the capital budget book);
  - \$5,167,000 for Culvert and Closed SD Rehab (Project #B551600, p. 486);
  - \$4,489,500 for Magothy Outfalls (Project #B571100, p. 508);
  - \$2,350,000 for Emergency Storm Drain (B) (Project #B551700, p. 487); and
  - \$2,150,000 for SO-ST-04 (Project #B559700, p. 502), which includes restoration and improvement to the Glebe Branch Tributary of the South River.
- Rather than budgeting outyear funding for each project, outyear funding for many projects is included in Permit Cycle 3 Placeholder (Project #B577500, p. 511). The FY25 Proposed Capital Budget and Program includes \$26,000,000 annually in FY26 and FY27, and \$10,000,000 annually in FY28-FY30.

## Capital Budget – Key Observations and Recommendation

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- 1. Grant Program – WPRP Restoration Grant (Project #B561100, p. 505)** – The FY25 Proposed Capital Budget includes \$1,200,000 in WPRF Bonds for a community watershed restoration project grant program administered by the Chesapeake Bay Trust. The FY24 Capital Budget included \$1,000,000 in WPRF Bonds for seven community restoration grants that ranged from \$30,614 to \$312,089.
- 2. Pub/Priv Perf of Wtr Qlty Imps (Project #B568300, p. 507)** – The FY25 Proposed Capital Budget includes \$2,000,000 in WPRF Bonds to incentivize the implementation of water quality restoration projects by private sector partners that help the County achieve regulatory pollution reduction targets. In FY23, a contract was awarded \$1,999,966 for an outfall project in the Patuxent River watershed. In FY24, a different contract was awarded \$1,837,000 for a stream and wetland restoration project in the Rhode River watershed.
- 3. Historical Spending Reduction – Storm Drainage/SWM Infrastr (B (Project #B551800, p. 488)** – As of March 31, 2024, this project had an available project balance of \$2,731,000. The average annual expenses in this project are \$996,000. There is sufficient available balance for the Administration to perform planned tasks of \$1,000,000 and the remaining project funds would be available for any unplanned expenses. **We recommend deleting \$700,000 in FY25 WPRF Bonds and \$300,000 in FY25 Bond Premium.**

## Appendix: Chart Data

### FY25 Proposed Capital Budget and Program vs FY24 Approved

| Funding Source                               | Prior Approved     | FY25              | FY26              | FY27              | FY28              | FY29              | FY30              | Total Proposed     |
|--|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| Bonds  | 229,750,864        | 22,515,997        | 35,557,000        | 34,517,000        | 18,517,000        | 18,517,000        | 18,517,000        | 148,140,997        |
| Paygo  | -                  | -                 | -                 | -                 | -                 | -                 | -                 | -                  |
| Impact Fees                                  | -                  | -                 | -                 | -                 | -                 | -                 | -                 | -                  |
| Grants & Aid                                 | 10,253,300         | 500,000           | -                 | -                 | -                 | -                 | -                 | 500,000            |
| Bond Premium,<br>Settlement Funds &<br>Other | 12,201,000         | 900,000           | -                 | -                 | -                 | -                 | -                 | 900,000            |
| <b>FY25 Proposed</b>                         | <b>252,205,164</b> | <b>23,915,997</b> | <b>35,557,000</b> | <b>34,517,000</b> | <b>18,517,000</b> | <b>18,517,000</b> | <b>18,517,000</b> | <b>149,540,997</b> |
| FY24 Approved                                | 268,266,091        | 34,517,000        | 34,517,000        | 34,517,000        | 18,517,000        | 18,517,000        |                   | 140,585,000        |

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