COUNTY COUNCIL OF ANNE ARUNDEL COUNTY, MARYLAND
Minutes of
FY 2023 Budget Public Hearing
May 9, 2022 – 7:00 P.M.
County Council Chambers

The meeting was called to order by Chair Lisa Rodvien at 7:00 P.M. and opened with the Invocation given by Chaplain Keith Zucco, Earleigh Heights Volunteer Fire Company, and was followed by the Pledge of Allegiance led by Ms. Fiedler. The meeting was held in the County Council Chambers, Arundel Center, Annapolis, Maryland. There were approximately 55 persons in the audience.

The following members of the County Council were present:

Allison M. Pickard	Second District
Nathan Volke	Third District
Andrew C. Pruski	Fourth District
Amanda Fiedler	Fifth District
Lisa D.B. Rodvien	Sixth District
Jessica Haire	Seventh District

The Auditor's Office was represented by the County Auditor Michelle Bohlayer.

Sarah Lacey, District One, was absent.

PRELIMINARY MOTION

On motion of Mr. Volke, seconded by Mr. Pruski, the Council voted that the partial reading of any bill, resolution, or minutes constitutes the reading of the whole.

READING OF BILLS

BILL NO. 37-22 – AN ORDINANCE concerning: Annual Budget and Appropriation Ordinance of Anne Arundel County – FOR the purpose of adopting the County Budget, consisting of the Current Expense Budget for the fiscal year ending June 30, 2023, the Capital Budget for the fiscal year ending June 30, 2024, the Capital Program for the fiscal years ending June 30, 2023, June 30, 2024, June 30, 2025, June 30, 2026, June 30, 2027, and June 30, 2028; and appropriating funds for all expenditures for the fiscal year beginning July 1, 2022, and ending June 30, 2023.
Introduced by Ms. Rodvien, Chair
(by request of the County Executive)

BILL NO. 38-22 – AN ORDINANCE concerning: Tax Levies – Special Community Benefit Districts, Shore Erosion Control Districts, and Waterways Improvement Districts – FOR the purpose of levying and imposing the tax rates for special community benefit districts, shore erosion control districts, and waterways improvement districts required by the County Budget for Fiscal Year 2023.
Introduced by Ms. Rodvien, Chair
(by request of the County Executive)

BILL NO. 39-22 – AN ORDINANCE concerning: Tax Levies – Arundel Gateway Special Taxing District – FOR the purpose of levying and imposing the tax rates for the Arundel Gateway Special Taxing District required by the County Budget for Fiscal Year 2023.
Introduced by Ms. Rodvien, Chair
(by request of the County Executive)

BILL NO. 40-22 – AN ORDINANCE concerning: Tax Levies – Arundel Mills Special Taxing District – FOR the purpose of levying and imposing the tax rates for the Arundel Mills Special Taxing District required by the County Budget for Fiscal Year 2023.
Introduced by Ms. Rodvien, Chair
(by request of the County Executive)

BILL NO. 41-22 – AN ORDINANCE concerning: Tax Levies – Dorchester Special Taxing District – FOR the purpose of levying and imposing the tax rates for the Dorchester Special Taxing District required by the County Budget for Fiscal Year 2023.
Introduced by Ms. Rodvien, Chair
(by request of the County Executive)

BILL NO. 42-22 – AN ORDINANCE concerning: Tax Levies – Farmington Village Special Taxing District – FOR the purpose of levying and imposing the tax rates for the Farmington Village Special Taxing District required by the County Budget for Fiscal Year 2023.
Introduced by Ms. Rodvien, Chair
(by request of the County Executive)

BILL NO. 43-22 – AN ORDINANCE concerning: Tax Levies – National Business Park Special Taxing District – FOR the purpose of levying and imposing the tax rates for the National Business Park Special Taxing District required by the County Budget for Fiscal Year 2023.
Introduced by Ms. Rodvien, Chair
(by request of the County Executive)

BILL NO. 44-22 – AN ORDINANCE concerning: Tax Levies – National Business Park-North Special Taxing District – FOR the purpose of levying and imposing the tax rates for the National Business Park North Special Taxing District required by the County Budget for Fiscal Year 2023.
Introduced by Ms. Rodvien, Chair
(by request of the County Executive)

BILL NO. 45-22 – AN ORDINANCE concerning: Tax Levies – Two Rivers Special Taxing District – FOR the purpose of levying and imposing the tax rates for the Two Rivers Special Taxing District required by the County Budget for Fiscal Year 2023.
Introduced by Ms. Rodvien, Chair
(by request of the County Executive)

BILL NO. 46-22 – AN ORDINANCE concerning: Tax Levies – Village South at Waugh Chapel Special Taxing District – FOR the purpose of levying and imposing the tax rates for the Village South at Waugh Chapel Special Taxing District required by the County Budget for Fiscal Year 2023.

Introduced by Ms. Rodvien, Chair
(by request of the County Executive)

BILL NO. 47-22 – AN ORDINANCE concerning: Finance, Taxation, and Budget – Income Tax – FOR the purpose of amending the County income tax rate on a bracket basis; providing for a delayed effective date; and generally relating to finance, taxation, and budget.
Introduced by Ms. Rodvien, Chair
(by request of the County Executive)

BILL NO. 48-22 – AN ORDINANCE concerning: Property Tax and Semiannual Payment Service Charge – FOR the purpose of levying and imposing a property tax for the use of Anne Arundel County for the taxable year beginning July 1, 2022, and ending June 30, 2023; fixing the rate of the County property tax for the taxable year; and establishing the service charge to be paid by a property owner electing to pay real property taxes and all other taxes and charges billed on the real property tax bill under a semiannual payment schedule.
Introduced by Ms. Rodvien, Chair
(by request of the County Executive)

BUDGET REMARKS

Chris Trumbauer, Budget Officer, gave an overview of the County Executive's budget for Fiscal year 2023. (A copy of Mr. Trumbauer's statement is attached to these minutes.

Edith Picken, President, Association of Educational Leaders, spoke on the County Executive's budget for Fiscal year 2023. (A copy of Ms. Picken's statement is attached to these minutes.)

Catherine Hollerbach, Chief Operating Officer, Anne Arundel County Public Library, spoke on the County Executive's budget for Fiscal year 2023. (A copy of Ms. Hollerbach's statement is attached to these minutes.)

SUBMISSIONS OF WRITTEN TESTIMONY

The Administrative Officer stated there were twenty nine submissions of written public testimony received regarding the budget, which were shared with the Council and posted on the County Council website.

PUBLIC HEARING

The following persons spoke on the Fiscal Year 2023 County Executive's budget:

Leah Paley, Crownsville
Kurt Svendsen, Arnold
James Magner, Edgewater
Karen Whaley, Edgewater
Jennifer Finn, Edgewater
Stephen Hall, Annapolis

Chris Poulsen, Annapolis
Julie Rosicky, Crownsville
Molly Owens, Annapolis
Diane Bunce, Annapolis
Herb Sheppard, Annapolis
Paul Flack, Annapolis
Paul Higgins, Pasadena
Conor Curran, Pasadena
Lisa Van Buskirk, Edgewater
Jay Evans, Harwood
Amy Ianncone, Edgewater
Lisa Arrasmith, Chair, Public Water Access Committee
Steven Waddy, Severn
Janet Norman, Annapolis
Denise Boyer, Edgewater
Steve Ricker, Edgewater

The following persons registered to speak but were not present when called:

Colleen Shields, Annapolis
Ellianna Shields, Annapolis
Brian Jamieson, Severna Park
Christian Shields, Annapolis

There was no one else registered or present who wished to speak and the hearing was concluded.

ADJOURNMENT

There being no further business, on motion of Mr. Volke, seconded by Ms. Pickard, the meeting was adjourned at 8:16 P.M.

Respectfully submitted,

/s/ Anna Macaulay

By: Anna Macaulay

/s/ Laura Corby

For: Laura Corby
Administrative Officer

Prepared Remarks of the Budget Officer
May 9, 2022

Madame Chair and members of the County Council, for the record, I am Chris Trumbauer, Budget Officer for Anne Arundel County. Thank you for the opportunity to give a brief overview of County Executive Steuart Pittman's proposed budget for fiscal year 2023.

On March 14, Moody's announced that it was upgrading the County's credit rating to Aaa for the first time, joining Standard and Poor's in giving Anne Arundel County the highest possible rating. The ratings increase was the result of a deliberate and strategic effort to strengthen the fiscal foundation of the county. The proposed budget before you continues that effort.

Last year, County Executive Pittman proposed – and the County Council approved - a fiscally conservative budget that got the County back on track as we emerged from the COVID pandemic. Since that time, the County has enjoyed a strong and robust local economy. Local income tax revenue is expected to exceed our FY22 budget estimates by $49 million.

The county real estate market continued to be red hot, and our recordation and transfer tax revenue is now forecast to be $65 million higher than budgeted. Combined with cost savings across county government, this results in a county fund balance of more than $262 million.

This year's proposed general fund budget is $2,157,450,500, an increase of $284.4 million from the adopted budget for Fiscal Year 2022. A more appropriate comparison involves subtracting out $154.6 million of incremental fund balance and one-time revenue, which results in a $129.8 million increase from FY22. This increase is equivalent to 7.4%, which is nearly identical to the January Consumer Price Index figure of 7.5%.

The proposed budget includes an income tax cut for all county taxpayers by utilizing a new Progressive Local Income Tax structure authorized by the Tax Relief for Working Families Act. This budget will lower the income tax rate on the first $50,000 of taxable income for every taxpayer from 2.81% to 2.70%. The rate for income above $50,000 remains unchanged, at 2.81%, which is the 4th lowest rate among Maryland's 24 county jurisdictions.

Anne Arundel County has a property tax revenue cap that limits revenue to an annual increase equal to the January Consumer Price Index or 4.5%, whichever is less. For FY23, that corresponding tax rate would be 96.3 cents per $100 of value. However, in the proposed budget, the County

Executive has set the rate 3 cents lower than that, at 93.3 cents. This represents an average homeowner savings of $100. The proposed rate keeps our property tax rate significantly lower than any of our central Maryland neighbors.

We are able to provide this tax relief while simultaneously strengthening the County's fiscal foundation. The FY23 budget makes several investments to secure long-term fiscal stability. The proposed budget includes a $23.5 million contribution to the Revenue Reserve Fund, also known as the Rainy Day Fund. This will result in an estimated balance of $132.7 million of reserves at the end of fiscal year 2023. With the support of this Council, we will have grown the balance of the Rainy Day Fund by $61.2 million since Fiscal Year 2019.

The budget fully funds our annual pension contribution, and includes an additional $16.5 million one-time contribution to reduce our future liability. The proposed budget also fully funds the annual contribution to our Other Post Employment Benefits fund, known as OPEB.

Two years ago, in the Fiscal Year 2021 budget, the county dramatically reduced its revenue forecast due to the COVID pandemic, and as a result created a modest $24.7 million structural deficit by utilizing its fund balance to cover recurring costs. Last year, we reduced that amount to $19.9 million and this year, I am pleased to report that the proposed budget completely eliminates the structural deficit. This means that every dollar of recurring costs will be covered with recurring revenue.

As to what is being funded in the proposed budget, I believe there is much to celebrate. The proposed budget includes $834.7 million of county funding for the Board of Education, a $50 million increase from last year and the largest incremental increase in county history. The budget prioritizes several key components of the Board of Education's request.

First, we propose fully funding the compensation package for our educators, with a step increase and a 4% cost of living increase for all units. It also includes the final backsteps for units II – VI.

Second, we make critical investments in special education. The budget includes the 70 new special ed positions required by the Blueprint for Maryland's Future, and also proposes 49 additional positions on top of that.

The budget also fully funds the request for 29 new social/emotional learning positions to meet the growing need for behavioral health services in our schools. And it funds 20 new English Language Development positions and 3 new bilingual facilitators..

One of the other upcoming requirements of the state Blueprint legislation is full day kindergarten. This budget proposes 48 new pre-k positions to convert half-day programs to full-day pre-k classrooms.

And finally, the budget includes 140 new classroom teacher positions, including the final year of staffing required to fully open Crofton High School. All told, the proposed budget contains 424 new positions in the public school system, many of which are either required or will be required in coming years under State law.

Anne Arundel Community College, ranked #1 in the nation by Forbes Magazine last year, will receive $47.4 million in county funding, an increase of $1 million from last year. Our library system will receive $27.3 million of general fund support, an increase of $2.5 million compared to last year. Part of this funding will support their new Kindergarten Readiness Program.

This budget represents a big step forward for our Department of Recreation and Parks, which is proposed to receive eight new positions. In Fiscal Year 2008, before the Great Recession, the department had 113 merit positions. Over the next five years, the department lost positions each year until it was left with 85 merit positions in FY2013. With the proposed eight positions in this budget, the department will finally have recovered to the staffing levels before the recession, with 116 proposed merit positions in the General Fund. I hope the Council will agree these positions are much needed, as the Department has several new parks and facilities, and we anticipate taking acquisition of the property soon to be known as Crownsville Hospital Memorial Park in the green heart of our county.

Similarly, new positions are being added for the Departments of both Central Services and Aging and Disabilities. Each of these departments has taken on new county facilities and services over the past year.

For public safety and our first responders, the proposed budget of $394 million adds seven new positions in the Police Department, three in the Fire Department, one new position in the Sheriff department (to add to the three positions added midyear in FY22), and one for the Office of Emergency Management. The budget also includes five additional positions in the States Attorney’s Office: four to support the body-worn camera program and a Licensed Clinical Professional Counselor for the Child Survivors Justice Program.

Other notable new initiatives include two new inspector positions for the Office of Planning and Zoning, as well as a new regional planner. Two new planning positions are also proposed for the Department of Transportation.

The county successfully negotiated agreements with all eleven of its bargaining units. The proposed budget also includes a 4.5 percent cost of living adjustment for non-represented employees and funding for a 4.5 percent increase for contractual workers, effective upon renewal of their annual contracts.

For the county enterprise funds, the trash and recycling rates will remain unchanged, as will the county's stormwater fee. The water and sewer rates are each proposed with a modest 5 percent increase, which is below the current rate of inflation.

With respect to the FY2023 Capital Budget, County Executive Pittman is proposing to reduce the amount of new borrowing for the first time in county history, from $170 million of annual new debt authority to $160 million. This represents a reduction of $60 million over the course of the six-year Capital Program. Despite this reduction, the Capital Budget keeps all major projects on track, and includes several new key initiatives. This is accomplished by deploying $205 million of the county's fund balance into the Capital Budget. The entire six-year Capital Program remains $5.3 million under our debt affordability guidelines.

Overall, the total Capital Budget for FY23 is $572.2 million, which includes all funding sources. The largest component is the Board of Education, with $189.2 million. This is the first time in history that the county is proposing to fully fund the Board's upcoming year capital request. Rather than go through a list of individual projects, I will just say that if the Board requested it, we funded it.

Notable new county projects in the County Executive's proposed FY23 capital budget include $3.5 million for a new Crownsville Non-profit Center,

$4.4 million to begin eight new transportation projects across the County, $2.5 million to begin a new Joint 911 Operation Center, $2 million to start work on a new police firearms training facility, and $1.3 million in planning and design funding for two new parks: Tanyard Springs Park and South Shore Park. The budget also includes $2 million for the Department of Recreation and Parks to upgrade 25 county playgrounds to be more accessible to people with disabilities.

In closing, I thank you for an opportunity to present this overview tonight. The County Executive, and the entire budget team, look forward to working with the County Council and the Auditor as we work to strike a budget to meet the priority needs of our county residents. Copies of the entire budget, including budget's highlights, are available on the Budget Office website at www.aacounty.org. Thank you and good evening.

Association of Educational Leaders (AEL) presentation to the AACo Council May 9, 2022

Presented by: Edie Picken, President AEL, Assistant Principal South River High School

First, let me thank the County Council for taking the time to hear from us, AEL, as it relates to the Superintendent's budget. As always, we appreciate any and all funding you can find to help the school system function.

On that note, there are a few issues I will present as it relates to that segment of the budget and salaries . Over the last four years, all bargaining units, including ours which is Unit 11, have attempted to be compensated for that which we are owed and due. Last year, the superintendent made whole all other bargaining units except ours. We are still owed a step from 15-16. Yes I said 15-16 while all other bargaining units have been made whole. Currently we have 6 people who are on step 40, our highest step, that at the time of 15-16 were not what we refer to as stepped out. Currently, we are attempting to negotiate getting these employees paid for that school year. Our Board is saying there is not enough money in the budget to cover that. How unfair is that to not provide for these people who worked as hard then as they do now to not receive what they are owed yet the superintendent and his executive staff receives theirs. Something to ponder. With respect to negotiations, the Board of Education does not negotiate-they voluntell you what they are offering, then waste your time coming back to the table when you present a different offer only to be voluntold again "No, this is all there is." Asking for time to negotiate prior to the superintendent striking his budget is nonexistent . When dates are requested, all bargaining units are given excuses as to why negotiations are impossible prior to November; however, miraculously after the superintendent presents his budget to the Board negotiations are permitted. Unfortunately, the superintendent's placeholder becomes his last and final offer. This is a habit that has been in place for 8 years which has only de-incentivized people remaining in the school system. This is unfortunate because we are losing incredible talent to other jurisdictions who respect the work we do. I am hoping that the County Council will take this into consideration.

Therefore, we are requesting that the County Council not only consider adding additional funds in order to compensate those 6 employees for what they are owed, but we are also requesting that the Council consider adding additional funding so that Unit II can increase the COLA amount from what is currently being offered at the negotiating table and to specifically earmark those funds for those purposes and no other.

Thank you.

Comments for the AACo Council from the Executive Director of Association of Educational leaders (AEL)

As the Executive Director and General Counsel for the Association of Educational Leaders ("AEL"), please accept my comments on the proposed Board Of Education ("BOE") budget as a supplement to the testimony and the written comments submitted by Ms. Picken the President of AEL. You are being asked to fund a budget that is not the product of required and mandated negotiations between the Board of Education and AEL who represents nearly 400 Unit II administrators. Once again, slow walking this process by the BOE through its negotiating team, has produced a budget request that as of this date is unacceptable to the members of AEL. As explained by Ms. Picken, the proposed budget provides for the payment of step increases that were lost to some members in the school year 15 16 but not all. Further, the repayment of the contractual obligation that was owed but not paid is not a pay enhancement, it is the payment of a long overdue commitment. In addition, the portion of the budget that funds Unit II compensation uniquely excludes 6 veteran administrators who have had the "misfortune" to continue their employment, share their experiences, mentor new administrators, and provide excellent dedicated service to the school system beyond 40 years of continued service. There is no "catchup" pay for them.

The unique bargaining strategy of the BOE that converts the Superintendent's "place holder" for Unit II compensation after he decides what the Riva Road upper management receives (which per his contract) includes himself becomes, in reality, the first, final and best and only offer AEL receives. It has now become a part of your budget funding consideration. Frankly, this is no way to do business. Yet, the process continues unabated and for that AEL finds it difficult if not impossible to support a budget that is constructed in the manner adopted by the BOE at the expense of what its members are told that they are the heart of the operation. Perhaps another part of the anatomy is what the BOE and the Superintendent really thinks about these 400 individual s.

Respectfully,

Richard Kovelant, Esq.
AEL Executive Director and General Counsel

Remarks from Catherine Hollerbach, Library COO
County Council Budget Hearing

- Good evening.
- Thank you to the County Council members for allowing me the opportunity to speak.
- My name is Catherine Hollerbach and I have the pleasure of serving as the Library's Chief Operating Officer.
- I'm here this evening to advocate for full funding of the library's requests in the County Executive's proposed budget and to share some of the critical work our library staff have been providing since we last met.
- Over the last year, the library has capitalized on its position as a trusted community resource to help the residents get through the pandemic.
- Working with our partners in the health department, library staff have given out more than 135,00 test kits and over 250,000 masks to community residents.
- Staff have held numerous vaccine clinics across the county and provided dozens of programs on health and wellness health topics along with offering assistance to job seekers, students, parents, and caregivers.
- For many years, the library has provided weekly kindergarten readiness programs in all our branches and in the community.
- These special storytimes empower parents and caregivers to become their preschoolers first teacher and set kids on the path to academic success.
- But many of those who could benefit most from these programs may not be able to get to one of our libraries.
- So, we'd like to expand our reach!

- The County Executive has recommended $661,780 to fund the implementation of a formalized Kindergarten Readiness Outreach program.
- This initiative would provide us with vehicles and staff so the library to get out more often into communities that need us.
- Additionally, we are urging your support of a proposed $30,900 request to purchase menstrual products and dispensers for all of our libraries.
- Period poverty is real, as we see every Saturday at the Community Pantry held at the Discoveries Library at Westfield Annapolis Mall.
- At the pantry we give out menstrual products, diapers, and health care items.
- If anyone in the audience would like to contribute, they can find out how at aacpl.net/pantry.
- We are also asking for your support on a number of cybersecurity initiatives, some of which are recommended for funding.
- But we need a position dedicated to cybersecurity in order to mitigate today's environment of constant and complex threats.
- Lastly, I'm asking for your help to fund a position that focuses on improving our customers' digital experience with the library.
- This area of service has grown exponentially since 2020 and we can't meet all the demand.
- These two positions are mission critical and I'm asking for your support.
- I'd like to thank the council for their continued support of our libraries and the public watching tonight.