



STAFF REPORT AND FISCAL IMPACT NOTE

Resolution: R-4-19

Title: State Mandated Annual Appropriation for City of Annapolis Services

Date: February 4, 2019

STAFF REPORT

This resolution expresses the City Council's support for House Bill 129 (HB0129) and Senate Bill 156 (SB0156) currently before the General Assembly for their consideration.

HB0129 and SB0156 require the State to appropriate at least \$750,000 annually in the State's budget to the mayor and alderpersons of Annapolis as payment for City services provided to the State. The appropriation is discretionary in fiscal year 2020 and mandatory in fiscal year 2021. Beginning in fiscal year 2022 and annually thereafter, the appropriation shall increase by the percent increase in the Consumer Price Index for All Urban Consumers for the Baltimore Metropolitan Statistical Area (CPI-U). The bill takes effect July 1, 2019.

Prepared by: Richard H. Melnick, City Attorney and Jacqueline Lee, Legislative & Policy Analyst

FISCAL IMPACT

While HB0129 and SB0156 impact the City's revenues, this resolution itself has no fiscal impact. It simply expresses the City Council's support of the State bills.

Attached is the Mayor's testimony before the House Appropriations and Senate Budget and Tax Committees in support of the proposed State bills. In the proposed fiscal year 2020 budget, the Governor did not include any funding for the City.

Prepared by: Jodee Dickinson, Finance Director



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MAYOR GAVIN BUCKLEY'S TESTIMONY ON HOUSE BILL 129 AND SENATE BILL 156

February 5, 2019

Good afternoon, and thank you for the opportunity to provide information to support House Bill 129 and Senate Bill 156.

I am Gavin Buckley, Mayor of the City of Annapolis, and with me today are City Manager Teresa Sutherland, Fire Chief David Stokes, Deputy Chiefs Kevin Simmons and Doug Remaley, Police Chief Scott Baker, and Captains Chris Amoia and Mark Seidel.

It is a great honor to serve as the Mayor of our State's capital, and we are privileged to be the seat of our state government. That privilege brings with it economic activity and support for our small businesses, but it also brings costs to the City that we would not incur if we were not the State capital.

The most obvious costs relate to rallies, marches, and special events. In fiscal year 2018, our police department provided traffic control, managed road closures, and provided security for 49 rallies and marches that drew participants from all over the State who came to their state capital to exercise their first amendment rights.

Our police department also responded to 262 calls for service at state buildings or with the Maryland State or Capital Police. We provided active shooter training to the Maryland State Police and other state agencies, and we assisted in waterway security and critical incident training. We also provided canine training and certification to the Maryland Capital Police and deployed our canine units prior to special events and dignitary visits. The direct cost of these police services was about \$200,000 in 2018.

Our Fire Department also incurs costs. As a small town of only 40,000 people, we would not have our own Bomb Squad or Hazmat Team if we were not the State capital. The direct cost of those specialized teams was approximately \$461,000 in 2018.

In addition to these direct costs, the City incurs indirect costs, such as the costs to operate and maintain police and fire vehicles, the costs to replace those vehicles at the end of their useful lives, and the costs of uniforms, weapons, and ammunition that are not included in the direct costs above.

We also incur costs that vary from year to year. For example, the State benefits from snow removal on the streets around the State complex, and every four years, we provide police, fire, transportation, and public works support for the Governor's inauguration. At the inauguration last month, it was our Emergency Operations Center that was opened for the event, and we were a lead partner in the inaugural planning and operations at a cost of more than \$40,000.

For the past 22 years, since 1996, the payment from the State to the City to help offset the cost of these services has remained constant at \$367,000, about half of our direct costs.

We are here to seek your support for this bill that would increase the payment to \$750,000. This payment would be discretionary in Fiscal Year 2020 and mandatory beginning in Fiscal Year 2021, with an annual inflation factor thereafter.

We thank Speaker Busch and Delegate Cain for sponsoring the House bill, and we thank Senator Elfleth for sponsoring the companion Senate bill. We are grateful for their support and for yours. We ask for your favorable consideration to help the City offset its costs for services that benefit the State government and those who come to our State's capital.

Annapolis Police Department – Fiscal Year 2018 costs – approximately \$200,000 of direct costs plus unquantified indirect costs

- Calls for assistance to State buildings and Maryland State Police (based on 262 calls at average cost of \$485/call): **\$127,000**
- Special events, rallies, and marches – traffic control, security assistance, road closures (based on actual compensation to officers for 49 events in FY2018): **\$34,000**
- Training to State agencies and MSP, including Advanced Law Enforcement Rapid Response Training (ALERRT) and APD marine vessel training, deployment, and assistance for potential critical incidents and waterway security: **\$20,000**
- Canine training, certification, and deployment (actual costs to train and certify Maryland Capital Police canines in explosive detection and patrol plus average costs for deployment of City canine units to state facilities prior to special events, dignitary visits, etc.): **\$19,000**
- Indirect costs that are not quantified include the costs to operate and maintain police vehicles, replace vehicles at the ends of their useful lives, uniforms, weapons, ammunition, etc.

Annapolis Fire Department - Fiscal Year 2018 costs – approximately \$461,000 plus unquantified indirect costs

- Bomb Squad:
 - Salaries and benefits for four personnel whose time is devoted 50% to bomb squad duties: **\$245,000**
- Hazmat Team:
 - Salaries and benefits for six personnel whose time is devoted 25% to the Hazmat Team: **\$180,000**
- Related supplies and contract services for Bomb Squad and Hazmat team, including supplies and veterinarian services for Bomb Squad K-9's: **\$36,000**
- Indirect costs that are not included in the costs above include the costs to operate and maintain fire department apparatus, replace apparatus at the end of its useful life, and uniforms.

Governor's Inauguration – January 2019 costs – \$40,000+ (Department of Transportation costs have not yet been compiled)

Department of Public Works costs – unquantified and weather dependent, such as snow removal