



**Fiscal Year 2021 Budget Report of
The Finance Committee of
The Annapolis City Council
May 11, 2020**

Finance Committee Members

Alderman Ross H. Arnett, III Ward 8, Chairman

Alderman Sheila Finlayson, Ward 4

Alderman Frederick Paone, Ward 2

Executive Summary

The Finance Committee received the Mayor's Budget the evening of 13 April 2020 just after the City Council Meeting of that date. The Committee commenced work on it the next day and held 18 meetings to deliberate and produce this Report to the City Council. The Committee was aided by a new process this year as described in the body of this Report.

The Mayor's Budget and the Committee deliberations were heavily influenced by the ongoing Corona19 Virus pandemic, and all Committee meetings were held virtually. The FY 21 Budget is presented in Ordinance 16-20; two resolutions, R-26-20 for Fees and R-27-20 for fines, and the Capital Improvement Program (CIP) that includes the Capital Budget for FY 2021 and a project listing of capital programs planned for fiscal years 2022 through 2026. These documents and other matters will be discussed in the body of this Report.

The City Manager provided two summary presentations, one on the general budget outlook in the COVID-19 environment and the other on the capital budget program details. Both documents are attached to this Report and are recommended as a good review of the Mayor's proposed FY 2021

Budget (Attachments A from 30 April and B from 22 April).

The Mayor's Budget proposes just over \$3.8 million in reductions to spending in the General Fund for FY 21. The proposed Budget also included \$3.5 million in "use of available fund balances to supplement the General Fund Revenue; and an additional \$2.9 million supplement to revenue for all other Funds, for a total of \$6.4 in net supplements. While not inappropriate, these adjustments bear evaluation and contain many details that the Council may wish to consider. A few of those matters are expressed in the bullet points that follow:

- Revenue growth and levels falling short of expenditure growth and levels. [In general terms, Expenditures continue to outpace revenue, 6% for the General Fund (projected FY 20 of \$81,392,020 to Budgeted FY 21 of \$86,267,450 FY 21), and 9% spending growth overall. Revenue growth is 2.6% for the General Fund and 7.3% for all Funds];
- City dependence on grant funding is \$6.3 million, which raise questions of whether grants will be as plentiful in out years with federal government attention focused on economic recovery bailout grants;
- Potentially optimistic projections of parking and transit revenues, which raise questions of whether riders will return to work in the City and or visitors return to the City at past levels;
- Consideration of some of the cuts in the "Summary of Proposed Reductions to the General Fund," including
 - A six month push back of COLA payments amounting to \$689,000, will the Unions agree to this and if not where can additional spending cuts be made?
 - Cuts to Fleet Maintenance and Operations of \$828,400 (\$695,400 and \$133,300 respectively), are these short sighted and with potential long-term consequences?
 - Of note is a General Fund reserve balance of \$2,139,228 in excess of the required balance of \$14,304,733, but cutting into these funds causes an increase in structural deficit per the Finance Director;

- Questions about the staffing levels (page 41) in that they don't seem to include FTEs for some seasonal and part-time employees (note that the FC was given a later version of this table that shows 676 FTE when all employees are shown. We don't have comparable numbers for earlier years);
- Questions about what, if anything should be done in the FY 21 Budget in anticipation of potential bad financial years to come because of the economic impact of the pandemic.

The Committee has added two pie charts at the end of this Report to give a visual aspect to some of the data presented on Full Time Equivalent Employees and Appropriations by operating components.

The Committee was in general favor of the proposed Capital Budget of \$13,762,300 in new bonds for FY 21, with \$7.7 General Fund bonds the rest for Enterprise Fund investments. The Capital Improvement Plans calls for the removal of the \$1,550,000 budgeted for the City replacement of Hillman by the City while we wait to see how the City Dock procurement bids develop. The Committee also review and largely accepted the recommendations for Community Grant funding.

The Committee noted that the FY 21 Budget was framed with the assumption that the Office of Environmental Policy was dissolved and the staff placed in new positions. While only three persons and a very small budget, the Committee recommends that the final FY 21 Budget be restructures to conform to the existing City Organization Chart.

Finally, there are two indicators of financial health the Finance Committee track on a regular basis, Fund Balance levels and cash flow position. More will be said about these in the body of the Report, but the Committee finds these two measures to be in good shape and attribute our continued good Bond Ratings to these healthy measures.

Committee Findings and Recommendations

The Mayor delivered his budget to the public and to the City Council on Monday, April 13th. The City Council Finance Committee began its meeting to evaluate the Mayor's Budget on April 14th with the purpose of delivering its Report to the City Council on its meeting of May 11th. The Finance Committee held 18 meetings from acceptance of the Mayor's Budget to delivery of its Report to the City Council.

In order to understand the Annapolis City Budget one needs to know several things:

- how the City is organized, shown in a Chart on page 3 of the City Council Budget Binder
- the services the organizational components (Departments, Offices Divisions and Staffs) provide, found on pages 43 through 60 of the Binder
- how many perform the work of the City, found on new proposed page 42 of the Binder
- And finally, what are the revenues and expenditures are needed to carry out the mission of the City, shown in the Binder starting on page 18 and carried throughout the remainder of the book to page 128.

We are using the term Budget Binder to distinguish the document revived by the City Council from the Mayor with the proposed fiscal 2021 Budget from the Budget Book produced by the Finance Department after the passage of the Budget by the City Council.

During the course of the Finance Committee's deliberations many supplemental pages have been added to the Binder. Principle among those additions are four packets of financial detail, line item information, which can be found as attachments at the end of this document, with directions for where they should be placed in the Budget Binder

Also part of the Budget Binder are the following documents:

- Ordinance 16-20, which establishes the fiscal Annual Budget and Appropriation and Property Tax Levy

- R-26-20, which sets the Fiscal Year 2021 Fee Schedule
- R-27-20, which sets the Fiscal Year 2021 Fines Schedule
- the Proposed Capital Budget (FY 2021) and Capital Improvement Program (FY 2022 – FY 2026)
- A new page 42 A the Pay Scale Effective July 1, 2019 and July 1, 2022 and Proposed in FY 21 Budget
- And finally a Schedule proposing the City of Annapolis Grant Funding FY 2021 to be found as an addition at the Budget Binder.

The Finance Committee used a new procedure for its hearings by issuing to the Departments (all operating components) a set of Guidelines to follow during their presentations to the Committee (see Guidelines – Attachment C). The Committee asked the Departments to present the following:

- Their Performance Measures (including goals, objectives, benchmarks; long term and short term, 2022-2026 and found on pages 43 through 60 of the Binder),
- a summary of their budget request(s),
- an explanation of budget changes from FY 2020,
- any enhancements requested,
- and a discussion of how they would accomplish their FY 2021 goals and objectives in the face of reductions to their operating budgets due to the effects of the pandemic.

All Departments followed the guideline request and many presentations were very informative (PowerPoint presentations by Departments, Offices, Divisions and Staffs can be found at the addresses below.

[Work of the Staff \(1\).docx](#)

[City Manager Budget.docx](#)

[Recreation & Parks budget presentation REVISED.pptx](#)

[Annapolis Police Department FY 2021 Operating Budget.pptx](#)

[FY21OOLBUDGETPresentationFINAL \(1\).pptx](#)

FY21PWPresentation (1).pptx
FY2021 Budget PowerPoint.ppt
FY21 Planning and Zoning Presentation Reduced.pdf
Human resources FY21 (1).pptx
Finance Department Power Point.pptx
4-20-20 OEM FY21 Budget Presentation Finance Committee MKS Edits (1).pptx
ADOT Budget Docs FY21 (1).pdf
ADOT Budget Briefing 20apr2020 (1).pdf

Particularly impressive were the presentations given by Public Works, Plan and Zoning, and Finance. These Departments vary greatly in size, 102.5, 32.8 and 22 Full Time Equivalent (FTEs) and spending \$8.2, \$4.3 and \$2.9 million respectively. What they share is very broad and complex service area assignments.

The police and Fire Departments are the largest employee groups 182.5 and 142 FTEs and \$21.9 and 20.9 million respectively, but share that each, while having many operational areas, have patrol and ambulance and fire suppressions occupying most of their resources.

Recreation and Parks and Transportation, while very dissimilar in functions share approximately equal employment size 79 and 51 FTEs and budget \$5.6 and \$5.4 respectively. Both organizations have a broad scope of operational areas.

Management Information Technology (MIT) and Human Resources (HR) were recently made City Divisions, and both are internal service organizations that touch all employees in some way and for MIT are a major connection from the City to the rest of the world electronically. So, while small in size, 10 and 7 employees respectively, their mission is broad and impactful.

In summary, using a standard procedure made it much easier for the Committee to compare across operating components.

The Budget is all about balancing revenues and expenditures and presenting information on how both are distributed. A concerning picture of the Budget is shown on page 18 of the Binder where it can be seen that again this year revenues are less than planned expenditures, both in the General Fund and across all Funds. Not only are revenues less than expenditures they are growing slower than expenditures. The Budget has the following data for both revenue and expenditures for fiscal years 2020 and 2021 as shown in the Budget Binder pages 21 and 22.

TABLE A	FY 2020 Projected	FY 2021 Proposed	Change
General Fund Revenue	\$80,633,313	\$82,759,800	2.6%
Total Revenue	\$130,942,452	\$140,564,795	7.3%
General Fund Expenditures	\$81,392,020	\$86,267,450	6.0%
Total Expenditures	\$134,916,066	\$146,939,940	8.9%

These revenue shortfalls and growth rates are similar to but greater than the same data for last year's proposed Budget (see page 18 of the Proposed Fiscal 2020 Budget), and for the FY 2019 data (Page 82 of the CAFR).

Another comparison sheds light on the continuing problem of keeping up with spending growth as shown in Table B, which compares growth in tax revenue versus growth in employee compensation.

TABLE B	FY 2020 Projected	FY 2021 Proposed	Change
Tax Revenue	\$55,146,388	\$57,053,000	3.5%
Employee Compensation	\$53,959,500	\$59,242,400	9.8%

Attachment F is a table that shows the Employee Compensation Comparison change FY 21 over FY20.

The City of Annapolis is a service organization and services are provided by staff. Thus it should be expected that employee costs would make up the majority of our budget, as it does with all service organizations.

Employee benefits are part of compensation and City leadership has worked hard to fulfil our obligation provide employee benefits. For a time, the City was behind in its actuarially determined contribution requirements to fully fund pension benefits. Recently the City was advised that our contributions have been under estimated for the Police and Fire Pension Plan, so those costs will go up.

In his presentation of April 30, 2020, the City Manager gave a list of “good news” and “bad news” reviews of the Budget. The table below shows a synopsis of those observations.

GOOD NEWS AND BAD NEWS FOR FY 21 BUDGET from City Manager Presentation

GOOD NEWS	BAD NEWS
Property Tax, 70% of Revenue are stable	Income taxes, hotel taxes, parking, and transportation revenues are down in FY20 and will be affected by the pandemic and will be down some unknown amount
General Fund Balances is maintained at more than required 15%	Revenue Projections for both FY 20 and FY 21 down by \$2.5 million
Employee health care costs are not increasing -- yet	Salaries and Benefits, 70% of spending are growing at 8.3% over last year
New Rx program manager will lower premiums	Salaried & Benefits continue to grow as a percent of expenditures <ul style="list-style-type: none"> • FY 19 = 62.7% • FY 20 = 66.3% • FY 21 = 69.7%

Fund Balances are at or above required reserve levels, with the exception of Parking and Transportation (p 23)	Pension costs are increasing significantly <ul style="list-style-type: none"> • Police & Fire by 27.6% • State Pension by 8.5%
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Some of the analysis above includes the actual and suspected impacts of the COVID19 Virus impacts. A question for the City Council to consider is what, if anything, should be done to adjust the FY 21 Budget in anticipation of revenue shortfalls due to a down economy? AS mentioned by the City Manager, income and hotel taxes, parking, and transit revenues can come in lower than projected in the FY21 Budget and could be lower still in FY 22. In addition, the City depends on a large amount of grant funding, \$6 million in FY 21. These monies could go up, at least temporarily with COVID19 relief, but other grant dollars may fall because of funds being diverted to the relief efforts. The City Manager has also expressed concerns about all of these issues and has promised very close monitoring of the City Financial flows during the fiscal year, with monthly or bimonthly reports to the Finance Committee and City Council. Speaking of flows, the Finance Director has given an alert that, if property tax payments are made late, the City may have a cashflow issue in the fall.

Ordinance 16 – 20: Committee Actions

The Finance Committee reviewed the Annual Budget and Appropriation and Property Tax Levy ordinance, O-16-20 section by section, 29 sections in total and three Appendices. This ordinance is the legislation that gives City Council approval to the appropriation budgets for all Funds (Sections 1 through 20 and Appendices A and B); recognizes anticipated FY 21 revenues in Section 21 and Appendix C; sets forth the Capital Budget in Section 22; amends past Capital Budgets by reduction of \$1,550,000 for monies for Hillman Garage replacement in Section 23; presents the Capital Improvement Program (CIP) in Section 24 and Appendix D; and in Section 26 establishes the property tax rate as \$0.7380 per \$100 dollars of assessed value and personal property (mostly business inventory) tax rate of \$1.94 on each \$100 of assessed value. Both of these rates are unchanged from fiscal year 2020.

Sections 25, 27, 28 and 29 meet legal requirements that must be posted and approved each year. The

Committee received legal counsel from the Office of Law and with the exception of a date change in Section 28 changing the year cited from 2021 to 2020, all was found to be in order.

For Sections 2 through 29 the Committee voted to recommend that the Council approve these Sections. The Committee votes were unanimous for all Sections except for Sections 14, the Transportation Fund; Section 19, the Fleet Replacement Fund; Section 20, the Fleet Operations Fund; and Section 26, the Tax Levy rates. Those votes were majority votes and will likely be discussed by the dissenting votes at the City Council Budget deliberation meetings.

Section 1 of the ordinance, with the attending Appendix A, was the source of differing opinions on the Committee and the only agreement that could be reached was to make no recommendation to the Council. At issue was the Administration recommended reductions in pay by elimination of the City contribution to the 401(a) Plan for FY 21 and the deferral of the negotiated COLA increase from award on 1 July of this year to 1 January of 2021, a six month delay in the increase. One thought was that employees should not suffer a reduction in the expected pay. Another thought was that these pay reductions cannot be recognized without a negotiated agreement in the case of the COLAs and until the Committee learns of the nature of the heretofore unknown 401(a) Plans and the legal parameters of the agreements, that is can the City contribution be deferred under the Plan rules? Another proposition was to abandon the COLA reduction and make a 5% pay cut for all exempt employees earning over \$100,000. The Committee had no information on either the legality or the revenue that such a cut would generate. At issue is about \$850,000 (COLAs of \$689,000 and 401(a) s of \$160,000) in expenditure reductions in the Mayor's proposed Budget. Without these reductions the Budget would be out of balance by that amount.

The Committee reviewed the Capital Budget and the CIP. As a prelude to that review the Committee received a briefing from Davenport & Company on our Debt Capacity, this to guide our review of new debt issuance. Davenport's assessment was that the City was in good standing with its current and planned debt structure and would fare well in any Rating Agency Review. In fiscal 2021 the City has \$16,258,632 in General Fund projects and \$6,251,500 in Enterprise Fund projects. The General Fund

projects are to be funded with \$7,735,800 in bonds and Enterprise Funds with \$3,901,500 in bonds. The General Fund projects will also be funded by bonds repaid by the Refuse Fund, Sewer Fund, Water Fund, and Watershed Restoration Fund, in the amount of \$2,125,000 for FY 21. The Committee voted to recommend that the City Council approve the FY 21 Capital Budget.

With regard to the Capital Improvement Program five year plan (FY 22 through FY 26) the Committee voted to recommend that the City Council approve these plans but offered some specific observations. There are eight new plans in the CIP for this year's budget:

- Cedar Park Sidewalks
- City Facility Security Upgrades (page 20),
- City Playgrounds and Parks (page 22),
- Eastport Satellite Police and Community Center (page 24),
- Fitness Equipment Replacement (now an annual plan) (page 25),
- Weems-Whalen Field (page 44),
- Organic Resource Recovery Facility (page 50),
- Truxtun Heights Storm Drainage Improvements (page 57).

The Committee notes that the CRAB Boating Facility (page 23) is under review at the Maryland Department of Natural Resources and then must go before the Maryland Board of Public Works. So the project is designated as TBD (to be determined), but if approved will use Project Open Space money and grants from the county and state. The Eastport police substation (page 24) raise discussion from the Committee and needs further evaluation by the Council. Some members question the value of police substations, something that has been tried and abandoned in the past. Another question was the

proposed location of the substation in a HAVA housing unit as opposed to locating in the existing Community Center. The Russell Street project (page 33) has been slowed because of ownership issues. It's not clear if this City property and if we have rights to make these improvements. As a point of information with regard to the Traffic Signal at West Street and Gibraltar project, this is but one of 23 City traffic signals. All other signals are under review for upgrades and synchronization. Modern traffic signals are very expensive at around \$450,000 each if fully equipped and interconnected.

On page 40, the Committee learned that the City ran into additional costs with the upgrades of the tennis courts because the sub-base of the courts needed to be replaced. For the Ween-Whalen Field work (page 44) the City is still awaiting word from MDE as to the amount of remediation that will be needed. At this point it seems that little cost will be incurred to make the field safe for play. On page 50, the Organic Resources Recovery Facility will be an important environmental advance and a potential revenue generator. The facility will process biosolids generated from the water reclamation plant. Once built it may also be able to process food waste materials. The CIP contains ongoing projects related to stormwater management and MS4 Permit Compliance (pages 55 and 56). Finally the CIP contains plans for ongoing street and sidewalk repairs and for replacement obsolete water and sewer pipes.

Resolution 26 – 20: Finance Committee Actions

Numerous changes are proposed for City fees in resolution R-26-20: Fiscal Year Fees Schedule. City fees are presented in the order of the section of City Code to which they correspond and start with Title 2 of the Code and run through Title 22. There is a redline version of the Fee Schedule that shows the proposed changes for FY 21.

The Finance Director noted that the new fees for Debit and Credit card process fee and for return check fees, 6.04.140, while needed were premature additions and must await legislation to authorize these fees. The Committee voted to recommend these fees be removed from the schedule at this time. The Committee recommended approval of all other fee changes in this schedule. The Committee recommended wording changes to clarify that the fee for 16.16.160: Wastewater discharge permit fee

for Nonresident users for a three-year permit was \$100 PER YEAR.

In addition there fee schedules for Parking for the four garages; Hillman, Gotts, Knighton, and Park Place; along with rates for the Larkin and South Street Lots. It is unclear to the Committee where the street parking rates are listed and how they are approved.

The Committee review and recommended approval by the Council of the Transit Fares.

The Committee reviewed and recommended approval by the Council of all of the Recreations and Parks Fees. However it noted that the City Council, when addressing resolution R-20-20 amended the proposed daily fee for Child (12 and under) and Seniors (62+) remain at \$4 per day. The schedule shows \$5 per day.

The Committee reviewed and recommended approval by the Council of all of the Alcoholic Beverage Fees.

The Finance Committee received two briefings from Stantec, one discussing the Water and Sewer Rate Study, the other the Stormwater Rate Study. In summary, the Water and Sewer Rate study recommends a 5 percent increase in the water rates and no change for sewer rates. The water rate increases are due to increased cost in operation and maintenance costs. Sewer rates can remain unchanged because we expect to receive \$600,000 a nutrient credit for the next four years, then a smaller amount in the fifth year,

For stormwater rates, the Stantec consultants are recommending a new and fairer way of calculating rates based on volume of impermeable surface runoff. The net result of the recommended change is an increase in the quarterly rates, but a retribution of the costs to single family residences away from multifamily units. There is also an increase for large commercial parking lots. The Committee did have some discussion about the impact of the fees on church parking lot for their runoff and decided to bring that issue to the Council's attention.

Finally the Committee reviewed and recommended approval by the Council of all of the increase in the sanitation fees of \$13 per year for residential units based on increased cost of the trash collection contract.

Resolution 27 – 20: Finance Committee Actions

Only one change was proposed for City fines in resolution R-27-20: Fiscal Year Fines Schedule. The Committee reviewed and recommended approval by the Council the increase in the fine for Historic preservation violation to be commensurate with building code violation fines of \$200 per day for the first notice and \$500 per day for second notice.

Community Grants: Finance Committee Action

The Finance Committee took up the proposed allocation of the City of Annapolis Community Grant Funding amount of \$429,700 as proposed in the Mayor's Budget. The Committee largely accepted the recommendations made by an internal Committee made up of City Staff headed by Assistant City Manager Lyn Farrow. There was some discussion of reducing the grant for Miscellaneous Services of \$80,000 for the Housing Authority to defray the cost of annual rental housing inspection of 792 units. The thought was that, with the demolition and rebuild of the Newtowne 20 housing, less units would need to be inspected and thus less funding to reimburse for inspection costs. The Committee finally decided to leave this allocation as is because the savings could not be redistributed to other grantees and would just be a reduction of the Grant Fund total. The Committee's proposed distribution is found as Attachment G.

The Committee hopes the Council finds its recommendations helpful. We devoted a lot of effort into working with the City Manager, Finance Director and staff, the Department, Office and Division Directors to gain a full understanding of the proposed Mayor's Budget. The Committee thanks all of the staff for their help, but especially David Jarrell, City Manager and Lyn Farrow, Assistant City Manager; Jodee

Dickenson, Finance Director along with Senior Accountant Katie Connolly; City Attorney Michael Lyles and Ashley Leonard and Kerry Berger from the Office of Law; Teekia Green, City Council Associate; and Julian Jacques and Marc Hildebrand of COATV.

The Committee has crafted this Report to be helpful to the Council as you take up your deliberations. The Budget is complicated and the Finance Department has given the Committee much additional material for our analysis. Because of all the additional information and the concentrated amount of time the Committee has had with the Budget and staff, we are offering to hold Council Work Sessions, possibly two with one in the evening hours for those on the Council that can't make a daytime meeting, if the Council members would find that helpful. The Committee has consulted with the City Manager, the Finance Director and the Office of Law, who have agreed to be present for the Work Sessions. Our hope is that we can help with your questions in the Sessions as opposed to on the Council floor during the City Council meeting for Budget votes.

Report Summary

The Finance Committee took several votes during its deliberations. One of the first was to recommend to the City Council that the FY 21 Budget be reformatted to reflect the current City organizational structure. The expenditure allocations show a reorganization that eliminates the Office of Environmental Policy, which currently reports to the Mayor. The proposed Budget shows members of that Office reporting to the City Manager and Planning and Zoning. Those changes may be made, but they are not in place at this point.

After being briefed by the Administration on the Mayor's proposed FY 21 Budget and hearing from each of the Departments (Offices, Divisions and Staffs), the Committee took up the budget legislation. Most of the Committee time was devoted to a section by section analysis of O-16-20, the Annual Budget and Appropriation and Property Tax Levy legislation. The Committee votes its recommendations on each section of the Ordinance, some votes unanimous and some majority votes. The Committee could not reach agreement on Section One of the Ordinance. In the end the Committee took a vote on Sections 2

through 29, with passed by a two to one vote. The Committee voted unanimously to recommend favorably to the City Council the Capital Budget and the Capital Improvement Program.

As noted in the body of this Report, the Committee recommends a few editorial changes to R-26-20, the Fee resolution, but otherwise voted unanimously to recommend favorably to the Council. The Committee also voted unanimously to recommend favorably to the Council R-27-20, the Fine resolution. Finally, after some debate and recommended changes to the allocation and size of grant amounts, the Committee voted by a majority to recommend the Community Grants amount of \$429,700 and the distribution of grants shown in Attachment G of this Report.

Attachment A: The Budget and City Financial Projections Resulting from COVID-19, April 30, 2020

Budget Presentation for Council Work Session - 30 April 2020 - Final.pdf

Attachment B: Proposed Capital Budget (FT 2021) and Capital Improvement Program (FY2022 – FY2026), April 22, 2020

FY21 Capital Budget Presentation - April 2020 (1).pptx

Attachment C

Guidance Form the Finance Committee Re: Budget Hearings

First, the Finance Committee thanks you for the work that you do day in and day out with little fanfare and not much public recognition. However, we on the Council know and appreciate how you keep the City running. We anticipate that this will be a tough budget year and want to know what needs to be done and how we can help you through the process.

While we are open to your input, we thought we might start with your performance measures. While still in the formative stage, we feel that they are your effort to lay out your departmental goals, objectives, benchmarks and performance measures. In addition, you gave us your long term goals for fiscal years 2022 through 2025. We understand that these were developed before the advent of the pandemic crisis and wonder if and how these goals may be affected by the consequences of this event.

Next, we would like to hear a brief summary of your budget request, with, again, an explanation of changes from last year's budget. Most importantly, we would again like to hear from you your concerns for the coming year, including any enhancements you must forgo because of anticipated revenue shortfalls. We also understand that there may need to be reductions in your appropriation from this current Budget. Please let us know how that can be accomplished and what must be sacrificed as a result.

We have attached a worksheet the Committee will use to give you an outline of how we see the hearing proceeding. We urge that presentations be as brief, no more than 45 minutes, if possible. This will allow the Committee time to ask questions and allow us to move through our hearing schedule. We need time to develop our analysis and draft our report to the Council early next month.

It would be very helpful to get any documents you will use for their presentation to Ms. Green two days in advance your scheduled hearing date so that she can load them into our iPads.

Thank you in advance for your help. Please let me know if we have missed anything and what you might need from us at this point.

Thanks. Ross

Department Budget Presentation - 2021

Department:

Presenter (s):

Presentation (maximum of 45 minutes) To Include

- I. Performance measures (may include goals, objectives, benchmarks; long term and short term, 2022-2025)
- II. Summary of budget request(s)
- III. Explanation of changes from 2020
- IV. Enhancements requested
- V. Proposed reductions and how accomplished
- VI. Summary

Attachments:

Committee Notes:

Attachment D

Position Summary for FY2021 with FTE Data (4/28/20)										
Fund	Electe d	Exemp t	Civil Servic e	Contra ct	Total	Full Time	Part Tim e	Part Time FTE's	Tem p FTE's	FTE's
General Fund										
Mayor and City Council	9	7	0	1	17	17	0	0.0	0.0	17.0
City Manager	0	4	1	0	5	5	0	0.0	0.0	5.0
Office of Law	0	4	5	0	9	9	0	0.0	0.0	9.0
Human Resources	0	2	5	0	7	7	0	0.0	0.0	7.0
Management Information Technology	0	1	9	0	10	10	0	0.0	0.0	10.0
Finance (including Purchasing)	0	1	21	0	22	22	0	0.0	0.0	22.0
Planning and Zoning	0	2	28	2	32	30	2	1.3	1.6	32.8
Police	0	5	150	19	174	170	4	2.0	10.5	182.5
Fire	0	2	140	0	142	142	0	0.0	0.0	142.0
Office of Emergency Management	0	1	3	3	7	7	0	0.0	0.0	7.0
Public Works	0	1	56	0	57	57	0	0.0	2.5	59.5
Recreation and Parks		1	23	9	33	25	8	4.5	49.5	79.0
Enterprise & Internal Service Funds										
Fleet Maintenance	0	0	7	2	9	9	0	0.0	0.0	9.0
Water Fund	0	0	28	0	28	28	0	0.0	0.0	28.0
Sewer Fund	0	0	6	0	6	6	0	0.0	0.0	6.0
Watershed Restoration	0	0	5	0	5	5	0	0.0	0.0	5.0
Refuse	0	0	4	0	4	4	0	0.0	0.0	4.0
Transportation	0	1	41	3	45	45	0	0.0	6.0	51.0
Total All Funds	9	32	532	39	612	598	14	7.8	70.1	675. 8
Corrected amount										

Attachment E

GRADE	PAY SCALE EFFECTIVE JULY 1, 2019 and JULY 1, 2020 (Proposed in FY21 Budget)											
	STEP											
	1	2	3	4	5	6	7	8	9	10	11	12
A01	24,908	26,244	27,651	29,133	30,695	32,341	34,075	35,901	37,826	39,854	41,990	
A02	26,777	28,212	29,725	31,319	32,997	34,766	36,630	38,594	40,662	42,842	45,139	
A03	28,786	30,329	31,955	33,668	35,473	37,374	39,378	41,489	43,714	46,057	48,526	
A04	30,944	32,603	34,350	36,193	38,132	40,177	42,331	44,600	46,992	49,511	52,165	
A05	33,265	35,048	36,927	38,907	40,993	43,191	45,505	47,945	50,515	53,224	56,077	
A06	35,760	37,678	39,696	41,826	44,068	46,429	48,919	51,542	54,304	57,216	60,283	
A07	38,442	40,503	42,674	44,962	47,372	49,911	52,588	55,407	58,378	61,506	64,804	
A08	41,325	43,540	45,874	48,334	50,924	53,654	56,531	59,562	62,755	66,120	69,664	
A09	44,424	46,805	49,314	51,959	54,744	57,679	60,771	64,028	67,461	71,077	74,888	
A10	47,756	50,316	53,013	55,855	58,850	62,004	65,329	68,831	72,522	76,409	80,505	
A11	51,338	54,090	56,990	60,044	63,264	66,656	70,228	73,994	77,961	82,141	86,544	
A12	55,187	58,145	61,263	64,547	68,008	71,653	75,495	79,542	83,806	88,299	93,033	
A13	59,327	62,507	65,859	69,389	73,109	77,029	81,158	85,509	90,092	94,922	100,011	
A14	63,777	67,196	70,797	74,593	78,593	82,805	87,245	91,923	96,851	102,042	107,513	
A15	68,558	72,234	76,106	80,187	84,485	89,015	93,787	98,814	104,112	109,694	115,574	
A16	73,702	77,653	81,815	86,203	90,824	95,693	100,822	106,228	111,922	117,922	124,244	
A17	79,229	83,476	87,952	92,668	97,635	102,869	108,384	114,194	120,316	126,767	133,563	
A18	85,171	89,737	94,548	99,616	104,957	110,584	116,511	122,759	129,339	136,273	143,578	
A19	91,558	96,467	101,639	107,087	112,829	118,877	125,249	131,965	139,039	146,493	154,347	
A20	98,425	103,702	109,261	115,118	121,290	127,793	134,643	141,861	149,467	157,480	165,923	
F10	44,329	46,706	49,210	51,847	54,628	57,556	60,642	63,893	67,318	70,927	74,729	78,736
F11	47,655	50,210	52,902	55,738	58,726	61,874	65,191	68,687	72,369	76,249	80,337	84,643
F12	51,230	53,976	56,869	59,918	63,131	66,515	70,081	73,838	77,797	81,967	86,361	90,991
F13	55,070	58,022	61,133	64,411	67,864	71,501	75,335	79,373	83,628	88,112	92,836	97,813
F14	59,200	62,374	65,717	69,240	72,953	76,863	80,984	85,326	89,901	94,720	99,798	105,148
F15	63,641	67,053	70,648	74,435	78,426	82,630	87,059	91,727	96,645	101,825	107,284	113,036

F1 6	68,414	72,081	75,945	80,016	84,307	88,827	93,589	98,606	103,892	109,462	115,330	121,513
F1 7	73,547	77,490	81,644	86,021	90,632	95,491	100,610	106,004	111,687	117,675	123,983	130,630
F1 8	81,000	85,588	90,177	95,012	100,104	105,471	111,126	117,082	123,360	129,974	136,941	144,282
F2 0	98,907	104,210	109,796	115,682	121,884	128,419	135,303	142,556	150,199	158,252	166,736	

P10	49,888	52,563	55,380	58,349	61,478	64,773	68,246	71,905	75,759	79,820	84,100	88,608
P11	53,632	56,507	59,536	62,728	66,091	69,634	73,367	77,299	81,445	85,810	90,411	95,258
P12	57,653	60,743	64,000	67,431	71,046	74,855	78,868	83,096	87,551	92,244	97,190	102,400
P13	61,976	65,298	68,799	72,487	76,374	80,468	84,781	89,326	94,116	99,161	104,477	110,078
P15	70,217	73,981	77,947	82,127	86,530	91,168	96,056	101,205	106,631	112,347	118,370	124,716
P17	81,144	85,494	90,077	94,907	99,995	105,355	111,003	116,954	123,224	129,831	136,791	144,124
P18	87,230	91,907	96,834	102,024	107,495	113,257	119,329	125,726	132,467	139,567	147,050	154,933
P20	100,805	106,208	111,902	117,901	124,222	130,881	137,898	145,292	153,080	161,288	169,934	

Attachment F

EMPLOYEE COMPENSATION COMPARISON FY 20 to FY 21

	FY 2020*	FY 2021**	Change
City Council	\$ 131,764	\$ 135,800	3.1%
Mayor's Office	\$ 1,509,236	\$ 939,600	-37.7%
Office of Law	\$ 1,147,700	\$ 1,208,000	5.3%
City Manager	\$ 341,000	\$ 685,200	100.9%
Hum. Resources	\$ 872,000	\$ 921,900	5.7%
Man Info Tech	\$ 1,197,000	\$ 1,250,400	4.5%
Finance	\$ 1,997,000	\$ 1,916,600	-4.0%
Purchasing	\$ 430,000	\$ 418,600	-2.7%
P & Z	\$ 3,568,000	\$ 3,851,400	7.9%
Police	\$ 17,162,000	\$ 18,943,000	10.4%
Fire	\$ 17,905,900	\$ 18,559,200	3.6%
OEM	\$ 392,000	\$ 432,700	10.4%
DPW Admin	\$ 662,000	\$ 725,900	9.7%
DPW Engineering	\$ 941,000	\$ 1,338,100	42.2%
DPW Streets	\$ 2,671,000	\$ 2,709,000	1.4%
DPW Traffic	\$ 254,000	\$ 254,500	0.2%
DPW Snow	\$ 65,000	\$ 41,500	-36.2%
DPW Facilities	\$ 575,000	\$ 592,500	3.0%
P&R Pip	\$ 266,000	\$ 287,100	7.9%
P&R Front Desk	\$ 217,000	\$ 258,100	18.9%
P&R Parks	\$ 911,000	\$ 914,700	0.4%
P&R Admin	\$ 459,000	\$ 480,600	4.7%
P&R Latchkey	\$ 260,350	\$ 459,500	76.5%
P&R Stanton	\$ 392,000	\$ 304,900	-22.2%
P&R Sports	\$ 192,500	\$ 202,500	5.2%
P&R Camps	\$ 544,500	\$ 562,900	3.4%

P&R Health	\$ 203,000	\$ 239,300	17.9%
P&R Pool	\$ 109,000	\$ 211,900	94.4%
Harbormaster	\$ 398,500	\$ 397,000	-0.4%
 TOTAL	 \$ 55,774,450	 \$ 59,242,400	 6.2%

* Source O-17-19 Appendix A.
However the FY Projected amount
given by the City Manager on 30
April 2020 is \$53,959,500

** Source O-16-20 Appendix A

City of Annapolis Community Grant Funding FY 2021												
The FY 2019 Community Grant Applications have been organized into the service categories outlined in the City Code §6.16.060(b), with subcategories added in some instances, to aid the reader in quickly identifying the purpose of the program.												
CATEGORY 1 (numbering of categories is not an indication of ranking)												
Provide services that sustain and empower youth, families and individuals to move towards an improved quality of life and sustainability												
	FY 2017 Adopted	FY 2018 Requested	FY 2018 Proposed Allocations (\$298,000)	FY 2018 Amendments Proposed by the Mayor	FY 2018 Amendments Proposed by Finlayson & Budge	FY 2018 Adopted	FY 2019 Adopted	FY2020 Adopted	FY2021 Requests	FY2021 Mayor's Proposed Budget	FY 2021 - Finance Committee Recommendation	FY2021 - City Council Adopted
Food Programs for Children/Youth												
Feed A Healthy Mind	4,000	10,000	4,000	0	0	4,000	5,000	5,000	10,000		4,000	
Heritage Baptist Church (Backpack Buddies)	3,500	3,500	3,500	0	0	3,500	3,500	3,500	4,000	3,500	4,000	
Education Programs for Children/Youth												
AA Comm. Action Agency/Green Summer Works	0	5,000	1,000	0	1,000	2,000	3,000	2,000	2,000		2,000	
Anne Arundel County Public Library	12,100	16,154	10,000	2,000	0	12,000	12,000					
Boys and Girls Club of Annapolis & AACo	6,000	8,104	6,000	0	0	6,000	7,000	7,000	9,928	9,700	8,000	
Chesapeake Children's Museum	1,500	14,000	1,500	0	0	1,500	0	1,500	20,000	1,500	1,500	
Compass Rose Studio Theatre	1,400	2,500	2,000	0	0	2,000	2,500	2,500			2,500	
Creating Communities, Inc	4,000	10,000	5,000	0	0	5,000	5,000	8,000	10,000	8,000	8,000	

Seeds 4 Success	2,000	10,000	2,000	0	0	2,000	4,200	4,000	10,000	5,000	5,000	
Start the Adventure in Reading (STAIR)	0	4,500	1,000	0	1,000	2,000	3,000	7,500	12,000	8,000	8,000	
Mentoring/Life Skills Programs for Children/Youth												
Box of Rain Foundation	2,500	10,000	5,000	0	0	5,000	7,000					
Restoration Community Development Corp	12,000	20,000	10,000	0	0	10,000	15,000	15,000	40,000	33,000	25,000	
Education Programs for Adults												
Center of Help (Centro De Ayuda)	12,000	25,000	10,000	3,000	0	13,000	13,000	13,000	18,000	15,000	13,000	
OIC of Anne Arundel County	12,000	30,000	12,000	0	0	12,000	15,000	15,000	50,000	25,000	25,000	
Homelessness/Addiction Programs												
Anne Arundel County Dept of Social Services	7,000	20,000	8,000	0	0	8,000	10,000	15,000		20,000		
He Opens Paths to Everyone (HOPE for All)	0	20,000	1,000	0	1,000	2,000	6,000	6,000	12,000	12,000	6,000	
Lighthouse Shelter	20,000	25,000	20,000	0	0	20,000	20,000	20,000	40,000	25,000	20,000	
Samaritan House	0	15,000	6,000	0	0	6,000	0	7,200				
We Care and Friends	40,000	53,020	40,000	0	0	40,000	40,000	30,000	30,000	6,000	20,000	
Services for Youth and Adults												
Annapolis Maritime Museum	0	24,150	5,000	0	0	5,000	5,000	7,000	20,000	7,000	7,000	
Annapolis Youth Services Bureau/AA Community Action Agency Youth Services	28,000	28,000	28,000	0	0	28,000	30,000	27,500	30,000	30,000	30,000	
Annapolis Wellness House	5,000	24,000	3,000	2,000	0	5,000	5,000	5,000	30,000	5,000	5,000	

Baltimore Neighborhoods Inc	3,500	3,500	2,000	0	0	2,000	3,500					
Bloomsbury Square Parking Assistance	2,200	2,200	1,500	700	0	2,200	1,000					
<i>Chesapeake Region Accessible Boating (CRAB)</i>	0	0				0	2,500	3,000	3,500	3,000	3,000	
Partners In Care	3,000	10,000	3,000	0	0	3,000	3,000	3,000	15,000	5,000	3,000	
<i>Peninsula Athletic League INC (PALI)</i>	0	0				0	1,000					
CATEGORY 1 SUBTOTAL	181,700					201,200	222,200	207,700	364,428	221,700	200,000	0
CATEGORY 2												
Provide programs that preserve and enhance a community's character												
Arts in Public Places (AIPPC)	14,300	15,300	15,300	0	0	15,300	15,300					
Bates Legacy Center	28,000	28,000	28,000	0	0	28,000	28,000	28,000	50,400	28,000	28,000	
Historic Annapolis Foundation	10,000	17,300	10,000	0	0	10,000	0		20,000	5,000	5,000	
Kunta Kinte-Alex Haley Foundation	3,000	3,000	2,200	800	0	3,000	3,000	10,500	4,000	4,000	4,000	
Maryland Hall for the Creative Arts	18,000	25,000	20,000	5,000	0	25,000	20,000	20,000	30,000	20,000	20,000	
University of MD Archeological Project	8,000	0	0	0	0	0	0					
*\$7,500 for Kunta Kinte - Alex Haley is included within the FY19 &20 Special Projects budget												
CATEGORY 2 SUBTOTAL	81,300					81,300	66,300	58,500	104,400	57,000	57,000	0
CATEGORY 3												
Provide programs that contribute to a vibrant economy												
Annapolis Film Festival	0	15,000	1,000	0	14,000	15,000	15,000	15,000			16,200	

Volunteer Center of Anne Arundel County	4,000	5,000	3,000	0	0	3,000	3,000					
CATEGORY 3 SUBTOTAL	4,000					18,000	18,000	15,000	0	0	15,000	0
CATEGORY 4												
Provide programs that are integral to community revitalization, economic development and environmental sustainability												
Annapolis Londontown/4 Rivers	28,000	28,000	28,000	0	0	28,000	28,000	28,000	28,000	28,000	28,000	
Mu Rho Uplift Foundation	0	50,000	0	0	6,000	6,000	0	6,000				
CATEGORY 4 SUBTOTAL	28,000					34,000	28,000	34,000	28,000	28,000	28,000	0
NEW IN FY2020												
Charting Careers (was Box of Rain)								8,500	35,000	8,500	8,500	
Annapolis Maker Space								0				
Langton Green								1,000				
Community Health Center at Parole								20,000				
NEW IN FY2020 SUBTOTAL								29,500	35,000	8,500	8,500	0
NEW IN FY2021												
Banneker Douglas Museum									20,000	5,000	5,000	
Brendan Sailing									2,000	2,000	2,000	
Jonathan Rose Companies (Return to Learn)									13,000			
Maryland Reentry Resource Center									30,000	5,000	5,000	
Newtowne Community Development Corp.									30,000	15,000	15,000	

NEW IN FY2021 SUBTOTAL									95,000	27,000	25,000	0
MISCELANEOUS CITY SERVICES												
Winter Relief Services								5,000		7,500	8,000	*
Housing Authority Inspection Services								80,000		80,000	80,000	
MISCELANEOUS CITY SERVICES SUBTOTAL								85,000		87,500	88,000	0
GRAND TOTAL	295,000					334,500	334,500	429,700	626,828	429,700	429,700	

ATTACHMENT G