

City of Annapolis
Boards and Commissions
Financial Advisory (FAC) Minutes
Monday, January 13, 2020

The regular meeting of the Financial Advisory Commission was called to order at 2:00 p.m. The meeting took place at 160 Duke of Gloucester Street, Annapolis, Maryland 21401, in the City Hall Conference Room.

Members Present: Chair Frederick C. Sussman, Vice Chair Bob Burdon, Frank Brown (via telephone), James Cardillo, Faye Currie, and Edward Meehan

City Leadership/Staff Present: Ward Eight Alderman Ross H. Arnett III, City Manager Teresa Sutherland, Finance Director Jodee Dickinson, Senior Accountant Katie Connolly

Presenters: Joanne Throwe, President, Throwe Environmental, Dan Nees, Senior Research Associate, University of Maryland School of Public Policy

Greetings

Chair Sussman welcomed the FAC attendees and introduced Joanne Throwe, President of Throwe Environmental and Dan Nees, Senior Research Associate, University of Maryland School of Public Policy.

Agenda

Vice Chair Burdon motioned for approval of the meeting agenda for January 13, 2020. Ms. Currie and Mr. Cardillo seconded the motion. The agenda was approved.

Finance Department Report

Ms. Jodee Dickinson, City Finance Director, described a few major efforts underway:

- FY 2019 Comprehensive Annual Financial Report (CAFR)
- FY 2021 Budget

She also mentioned the completion of the bond sale.

Audit Committee

Mr. Cardillo, who represents the FAC on the City's Audit Committee, provided a brief updated. The Audit Committee had last met in December 2019. He was absent for that meeting, however, Zelenkofske Axelrod, LLC reported their findings of the Recreation and Parks audit. He also mentioned that Alderman DaJuan Gay has resigned from the Audit Committee and anticipates approval of Alderwoman Tierney's nomination to backfill Alderman Gay.

Financial Forecasting Practices Subcommittee

Director Dickinson, Mr. Meehan, Vice Chair Burdon, and Senior Accountant Katie Connolly will be meeting on Thursday, January 16, 2020, to discuss an action plan.

Resiliency Presentation

Ms. Throwe further elaborated on her background. In addition to being the President of Throwe Environmental, LLC, she is also a Senior Fellow at the University of Maryland School of Public Policy. She chairs the U.S. EPA Environmental Financial Advisory Board and co-chairs the EPA Stormwater Task Force for America's Water Infrastructure Act. Ms. Throwe has been working with Dan Nees since 2005.

Mr. Sussman asked Ms. Throwe and Mr. Nees to explain the scope of their work and to define what resiliency and resiliency planning is. Ms. Throwe said the focus is on innovative financing options. Climate Change Resilience is helping communities address the environmental stresses and consequences of climate change through planning and asset management, and prioritization of economic and geographic vulnerabilities. Environmental Finance is providing capacity to stakeholders to develop innovative financial solutions to address environmental concerns. They also assist governments with developing policies, effective strategies, and best practices to create a more efficient and effective organization through reorganization, stakeholder engagement, diversity, and inclusion principles. Mr. Nees mentioned that their approach to resiliency planning is "not to adapt but to thrive."

The process started with a work group that included City government employees and representatives from local non-profits. The work group met numerous times to discuss and determine climate impacts on the City of Annapolis. One of the goals was to identify climate stressors, develop action items to deal with those stressors, and prioritize those action items.

Chair Sussman inquired as to who was on the work group. Ms. Throwe responded with:

Sally Nash, Ph.D., AICP (Chair)
Acting Director, Chief of Comprehensive Planning
Department of Planning and Zoning
City of Annapolis Government

Eric Borchers
Comprehensive Planner
Department of Planning and Zoning
City of Annapolis Government

Jacqueline Guild
Director, Office of Environmental Policy
City of Annapolis Government

Stephen Rice
Economic Development Manager
City of Annapolis Government

Hope Steward
Small and Minority Business Enterprise (SMBE) Liaison
City of Annapolis Government

Anne Stephenson
Annapolis Environmental Commission

Michael Giblin
Annapolis Environmental Commission

Teresa Sutherland
City Manager
City of Annapolis Government

Kevin Simmons
Director
Office of Emergency Management
City of Annapolis Government

David Mandell
Deputy Director
Office of Emergency Management
City of Annapolis Government

Adetola O. Ajayi
African American Community Specialist
City of Annapolis Government

Joanne Bounds Ogburn
JBO Conservation, LLC

Lisa Grieco, PE
Civil Engineer II
Bureau of Engineering and Construction
City of Annapolis Government

Chris Jakubiak
President, Jakubiak Town and City Planning

Alex Pline
Member, Annapolis Planning Commission

Vice Chair Burdon asked what are the non-climate factors and is resiliency planning relative to climate related concerns. Ms. Throwe responded with population growth, an increase in traffic, failing infrastructure, to name a few. She mentioned that there are three main buckets; infrastructure, societal, and environmental. Sometimes you cannot separate the climate and non-climate factors. Both played into the recommendations from the work group. Mr. Nees mentioned that the focus is an action strategy. There could be 120 projects that are then categorized by high, medium, or low. Low does not mean low priority and community engagement is essential.

Vice Chair Burdon inquired about a finished product of the plan. Ms. Throwe responded that the plan is still in draft form and all stakeholders need to be engaged. Vice Chair Burdon replied by asking if the priorities are set by the work group or will the stakeholders have input. Mr. Nees responded by saying the input from the community is in process. But, the stakeholders also have to consider the capacity that the City has. Continual discussions need to be had to try and cover things that the City's planners don't think about.

Mr. Cardillo inquired if the three areas of focus are standard. Ms. Throwe responded with all three areas are always considered. Mr. Nees added that this is a climate change driven process with a focus on infrastructure.

Vice Chair Burdon asked if communities around the globe are doing this. Ms. Throwe affirmed his question. The Rockefeller Foundation is dedicated to helping cities around the world become more resilient to the physical, social, and economic challenges that are a growing part of the 21st century. Ms. Throwe mentioned what the studies lack though, are the financial implications. The plan for the City of Annapolis is much more detailed and will include a cost factor.

City Manager Sutherland informed the Commission that there is proposed legislation with the State of Maryland that enables any County or City of 30,000 residents or more to establish a Resilience Finance Authority to finance these types of situations. The City's goal is to partner with Anne Arundel County for all resiliency efforts.

Vice Chair Burdon asked if there are any successful public/private partnerships. Mr. Nees directed the Commission to research Hoboken, NJ. He mentioned that the City of Hoboken only has approximately 9,000 more citizens than the City of Annapolis. Ms. Throwe added that Hoboken is the model where resilience efforts stand out.

Chair Sussman inquired about an RFP. City Manager Sutherland responded that the RFP included a request to design, build, maintain, and finance Hillman Garage and City Dock. Mr. Nees commented that in the case of Hoboken, City officials looked for input from constituents to vote on a design. City Manager Sutherland added that the work group agreed that the two highest priorities are City Dock and Hillman garage.

Mr. Meehan inquired about an anticipated date of completion for the report. Ms. Throwe responded by saying it could be a month to three months. Mr. Nees added that currently, they are presenting in a vacuum. Everyone is unsure if the State legislation will pass. Regardless, their work will be done by April 2020.

Mr. Meehan asked with whom the City of Annapolis has a contract. City Manager Sutherland answered with the Center for Resilience Innovation Inc. and through a University of Maryland grant, Throwe Environmental is able to provide resources to the City of Annapolis.

Vice Chair Burdon asked if other priorities besides Hillman and City Dock were raised during the work group's discussions. Mr. Nees responded with yes and added that anything that had to do with water, infrastructure, and transportation was discussed.

Chair Sussman asked how the Resiliency efforts play into the current capital improvement plan. Mr. Nees stated that he hopes that state legislation is passed and all resiliency efforts will be removed from the City's CIP and maintained by a separate entity.

Vice Chair Burdon asked who is sponsoring the state legislation. City Manager Sutherland answered with Senator Sarah Elfreth and Delegate Brooke Lierman.

FAC Annual Report

Chair Sussman asked if the Commission had any changes to propose to the draft annual FAC report. With no proposed changes, Chair Sussman motioned to approve the annual report, which was seconded by Vice Chair Burdon and Ms. Currie.

Police and Fire Retirement Plan

Director Dickinson mentioned that the Police and Fire Retirement Plan is currently funded at 83.75%.

Concluding Remarks & Adjournment

The next meeting of the FAC will be held on February 13, 2020 at 7:30 a.m. at the Pip Moyer Recreation Center.

Chair Sussman thanked everyone for their participation, attendance, and meaningful discussion. There being no further business, the January 13, 2020 meeting of the Financial Advisory Commission adjourned at 3:33 p.m. following the motion by Mr. Cardillo, which was seconded by Ms. Currie and Vice Chair Burdon.