

City of Annapolis
Boards and Commissions
Financial Advisory Commission (FAC)
Meeting Minutes
Thursday, June 11, 2020

The “virtual” videoconference meeting of the Financial Advisory Commission was called to order over Zoom at 8:04 a.m.

Members Present: Chair Frederick C. Sussman, James A. Cardillo, Faye Currie, and Edward Meehan

City Leadership/Staff Present: Ward Eight Alderman Ross H. Arnett III, City Manager David Jarrell, Finance Director Jodee Dickinson, Ryan Haglar, City Attorney D. Michael Lyles, and Accountant Kim Ellen Maronski

Member Absent: Vice Chair Bob Burdon and Frank Brown

Greetings

Mr. Ryan Haglar provided Zoom videoconference guidance.

Chair Sussman welcomed the attendees.

Advance Handouts

- Annapolis property list with commercial and industrial (C&I) codes
- Maryland Assessment Procedures Manual C&I Codes

Agenda

The meeting agenda for June 11, 2020 was unanimously approved following the motion by Mr. Cardillo, seconded by Ms. Faye.

Minutes

Mr. Cardillo motioned for approval of the minutes from the previous FAC meeting held May 14, 2020. Mr. Meehan seconded the motion. The minutes were approved unanimously.

Reports

Audit Committee (AC) Update

Mr. Cardillo indicated that the AC had met on May 19, 2020 and approved the outside accounting firm's report (covering Recreation and Parks). A draft RFP for additional departmental reviews had also been discussed by the AC with substantial focus on types of procedures to conduct, i.e., compliance vs. performance based measures.

Finance Department

FY 2021 Budget Process Update

Ms. Jodee Dickinson, City Finance Director, indicated that budget amendments are being discussed and approved. The current property tax rate would stay in effect. Deferrals of cost-of-living adjustments (COLA) were not agreed to.

Instead, the City is anticipating achieving savings in keeping job vacancies open longer. This especially impacts the Police Dept.

City Manager Jarrell spoke about the last minute request by the City Council to have the FAC address them on fiscal matters. He expressed that Mr. Burdon had done a great job presenting to the Council.

Alderman Arnett complimented Ms. Dickinson. He said she summarized the budgetary matters well to the FAC and kept her poise during arduous deliberations with the City Council.

Alderman Arnett also complimented Mr. Jarrell, stating he did a masterful job avoiding the financial burden falling on the City's staff.

Chair Sussman asked what the City Council's response to the FAC's presentation was. Alderman Arnett indicated that it was well received.

Mr. Sussman thanked Ms. Dickinson and Alderman Arnett.

Bond Issuance

Ms. Dickinson said that normally at this time of year, she would be seeking bond authority. However, since the long-term debt process is expensive and time consuming, her current plans for Fall 2020 include taking on short-term debt.

Other

During this time that the City is providing services regardless of payment status, utilities receivables are increasing slightly. Finance Director Dickinson anticipates the need to establish payment plans for some customers.

Anne Arundel County's decision to allow taxpayers to defer filing hotel/motel taxes until after the pandemic is over also negatively impacts the City, Ms. Dickinson stated.

New Business

CARES ACT Grant Funding

Ms. Dickinson described CARES Act grant funding. Transportation grants do not have to be COVID-19 related and might carry over into FY 2022.

Anne Arundel County has already advanced the City \$4.25 million, which has been deposited in a separate bank account. The funds must be used directly for COVID-19 related purposes and expended by December 31, 2020.

One of the areas of spending contemplated is hazard pay bonuses for public safety employees, et al. Another is assisting businesses to recover by allowing for the expansion of meal service operations onto sidewalks, streets, and parking areas.

City Manager Jarrell described how this has already occurred on Main Street, Market Space, Maryland Avenue, and West Street with temperature check stations set up.

Mr. Cardillo inquired about whether some COVID-19 costs might become long-term ongoing expenses. Mr. Jarrell responded that indeed personal protective equipment (PPE) and enhanced cleaning will be needed. Management is talking to all departments. Once grant funding is exhausted, general funds may have to be used.

Chair Sussman asked whether such costs are included in the 2021 budget. Mr. Jarrell replied that there will have to be a supplemental appropriation request in July 2020.

State Resiliency Authority Legislation

No new activity was reported. Chair Sussman was troubled about any possibility of local governments becoming responsible for debt obligations. He noted this should be an agenda item for next month's FAC meeting.

Commercial Property Valuations and Tax Payments – Impact of COVID-19

Finance Director Dickinson indicated that while residential property values seem to be relatively unaffected, the impact of the pandemic might be greater on commercial properties. Cash receipts from Anne Arundel County are being monitored, she said.

City Attorney Lyles indicated that three or four responses had been received regarding a RFP to study public housing. There is \$750,000 in funding set aside for this purpose.

Concluding Remarks & Adjournment

Atty. Sussman noted that the Financial Advisory Commission had reached the end of their scheduled agenda for today. He thanked everyone for their participation and attendance, and especially City management for their informative explanations.

The next regular meeting of the Financial Advisory Commission will be held via Zoom videoconference on Thursday, July 9, 2020 at 8 a.m.

There being no further business, the “virtual” June 11, 2020 videoconference meeting of the FAC adjourned at 8:45 a.m. following the motion by Mr. Cardillo, which was seconded by Ms. Currie.

Respectfully Submitted,

Kim Ellen Maronski,
Finance Department