

CITY OF ANNAPOLIS FINANCIAL ADVISORY COMMISSION
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May 10, 2013

BY E-MAIL AND HAND DELIVERY

Mayor and City Council of the City of Annapolis
160 Duke of Gloucester Street
Annapolis, Maryland 21401

Re: Recommendations Regarding Resolution No. R-13-13 (FY 2014 Fees Schedule)

Dear Mayor Cohen and Members of the City Council:

I am writing to you on behalf of the City of Annapolis Financial Advisory Commission ("Commission").

We have reviewed Resolution No. R-13-13 (FY 2014 Fees Schedule) with assistance from the City's Finance Director. We are pleased to see a reduction in the fee to be charged for residential refuse collection, which we attribute to the privatization of this service. We do not provide any recommendation on the other specific fees proposed in Resolution R-13-13 because we have received no back-up, justification or rationales for the proposed fees.

Last year we noted that there is no uniform process or system in effect across City operations to review and assess the appropriateness of existing or proposed fees, and depending upon the nature of a particular fee, whether the fee is reasonably calculated to cover the cost of regulation, is reasonably estimated to cover the cost of a service, or is comparable to other fees in the relevant marketplace. We further noted that there also appears to be no uniform system to report the rationale and justification for proposed fees to allow appropriate scrutiny during budget review, and this lack of uniform processes and systems can lead to a lack of transparency, accountability and oversight.

The Commission again recommends that such processes and systems be developed and implemented before the start of preparation of the FY 2015 budget.

Sincerely,



Frederick C. Sussman, Chair

cc: Commission Members (By e-mail)
Michael Mallinoff, City Manager (By e-mail)
Bruce Miller, Finance Director (By e-mail)
Shirley S. Tripodi, Assistant Finance Director (By e-mail)
Hilary Raftovich, Boards and Commissions Coordinator (By e-Mail)
Jessica Cowles, Legislative and Policy Analyst (By e-mail)