FY 2019 Budget Report of
The Finance Committee
of the Annapolis City Council

May 14, 2018

<u>Finance Committee Members</u>

Alderman Ross Arnett III, Ward 8, Chairman

Alderwoman Sheila Finlayson, Ward 4

Alderman Marc Rodriguez, Ward 5

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Executive Summary

The Finance Committee for the City of Annapolis commits to an annual task of analyzing the Mayor's proposed operating budget. As stewards of City Finances, it is the committee's responsibility to ensure that a legally balanced budget is presented which meets voter expectations for programs, services, and taxes. This in-depth budget analysis is performed through a series of often daily meetings, spanning over the course of a month.

During the frequent meetings, the Finance Committee focused on all aspects of the proposed FY 2019 budget and accompanying legislation. However, the Finance Committee is not limited to that arena. The policy decisions that can affect the budget are as important as the individual monetary allocations.

This year, Mayor Buckley introduced his first budget since taking office. He introduced a budget that included a 13 cent increase to the tax rate, proposing to amend the City's property tax rate from .649 per $100 of assessed value to .779 per $100 of assessed value. Mayor Buckley sited City obligations that had been ignored by the previous administration as a driving force behind the increase. The proposed FY 2019 budget addresses underfunded liabilities, structural deficits, increases to debt expense, the necessity to fund recurring Capital Projects via recurring revenues (Pay-Go) rather than issuing debt, pending Union negotiation expense, and ongoing increases in personnel costs. The annual operating budget is a policy document. Due to the fact that policies and priorities vary from person to person, there is often times differing opinion as to how the budget should be allocated.

For the Finance Committee, it was necessary to strike a balance between addressing the aforementioned deficiencies while taking into account the impact of the tax rate increase on the citizens of Annapolis. It was a priority of the Committee to address the long-term fiscal health of the City while protecting the diverse economic population of Annapolis. That priority governed the budget deliberations. During the deliberations, the Committee heard from the department heads regarding their requests for additional funding, as well as to develop a deeper understanding of current operations. The Committee contemplated which budgetary increases were mandatory verses discretionary, and made recommendations to amend the Mayor's budget that would continue to address the structural deficit while providing a lesser burden to the citizens of Annapolis.

Budget Hearing Process

On April 9, 2018, Mayor Buckley gave his State of the City address and presented his budget for fiscal year 2019. Upon taking office it became clear to Mayor Buckley that immediate action was necessary to address unmet pension and Other Post Employment Benefits (OPEB) liabilities, rising debt obligations, appropriate funding of recurring capital improvements, and right sizing the budget to match the true cost of doing business. The Mayor presented a bold budget that put the long-term health of the City above the popularity of the action.

Beginning April 11, 2018 and continuing into May, the Finance Committee conducted a series of budget meetings at City Hall. During these meetings, the Finance Committee heard from Department Heads, the Finance Director, and the City Manager, as well as, the City's Financial Advisors and health insurance consultants.

It should be noted that during this timeframe, the City faced a number of staffing changes that directly impacted the budget process. During the formation of the budget, the City was helmed by former City Manager Thomas Andrews. Upon his exit, Fire Chief David Stokes stepped in to serve as Acting City Manager until the formal appointment of the current City Manager, Teresa Sutherland. During that time period, the City received the resignation of former Director of Finance Bruce Miller, as well as the resignation of the Mayor's former Chief of Staff, Jane Hruska. These changes in high level positions often lead to changes in style, priority, and presentation. Throughout the transitions, the Finance Committee remained steadfast in its process. City Manager Sutherland has brought to the City her wealth of financial and municipal knowledge, which has aided in the shaping of the Finance Committee's recommendations.

Former Finance Director Miller kicked-off the budget hearings by providing an executive level review of the FY 2019 Schedule of Appropriations, including a summary of changes to highlight variations from FY 2018 to FY 2019. Noted changes to the Schedule of Appropriations include: a 13 cent increase in the tax rate from $0.649 per $100 assessed value to $0.779 per $100 assessed value, increased funding for Pension, OPEB, Voluntary Employee Benefits Association (VEBA), anticipated Union Costs, debt increases, annually occurring increases in personnel attributable to step increases and insurance cost increases, various operating enhancements, and increases in non-tax revenues. All of the above increases were coupled with operating reductions. This summary of changes gave birth to the "Tax Increase Summary Sheet" that will be reviewed in depth later in this report.

Assistant Finance Director Melissa Leaman (current Acting Finance Director) provided an overview of the Capital Improvement Program (CIP). Noted changes to the General Fund CIP include new projects like the Standard Specifications and Construction Details updating project, the RMS/CAD System upgrade, the Tucker Street Boat Ramp, the Forest Drive Fire Station Renovation, the Fitness Court, the Spa Road Sidewalks, and the S. Southwood Sidewalk and Stormwater Management. The Watershed Restoration CIP included the new project for the Main Street Silva Cell. While projects such as the Public Works Facility and Main Street Re-Bricking provided ample discussion, those projects continue to move forward with minimal amendments. A complete listing of Capital Improvement Program amendments will be reviewed later in this report. The Schedule of Appropriations and the Capital Improvement Plan serve as the blueprint for City operations for the coming fiscal year. Those documents shape the Finance Committee discussions, while alterations to those documents exhibit desired policy change.

Financial groundwork continued to be laid as Assistant Finance Director Leaman provided a page by page review of the FY 2017 Comprehensive Annual Financial Report (CAFR). This report contains a wealth of information, ranging from the health of various City Funds to local statistical information. The Finance Committee was provided an extensive review of the information.

City Financial Advisor, Joseph Mason from Davenport and Company, LLC, provided a review of the City's debt profile, including the debt impact of the proposed FY 2019 Capital Improvement Program. This report expressed CIP out years as fully debt funded to showcase a worst case scenario. Larry Ulvila, from Insurance Solutions, provided a report to the Finance Committee on the current status of the health insurance funding requirements, the projected funding necessary for FY 2019, and alternate scenarios that address variations in funding percentages. Actuarial valuations of the City's OPEB funding and of the Police and Fire Pension were also reviewed with the Finance Committee. These introductory meetings laid out the foundation for the continued budget discussions. (Presentation Materials can be found at Appendix D-1, E-1, F-1, and G-1)

Each City Department was requested to appear before the Finance Committee and present its requests for enhancements, to outline current operations, and provide any additional information as requested by the Committee. Enhancements are additions to the base budget above the prior year that often support new programs or initiatives. After extensive discussion on the part of the Finance Committee, it was discovered that many of the enhancement requests listed were not necessarily enhancements, but adjustments to the budget that more accurately reflect current obligations and expenses.

<u>Department of Public Works (DPW)</u>

Director Jarrell and Assistant Director Patrick were present at Finance Committee to provide an update of departmental accomplishments and answer questions from the Committee. Director Jarrell provided an overview of his enhancement requests. There was extensive discussion regarding the CIP projects, their timelines, and funding sources. Alderwoman Finlayson has requested that current timelines be provided regarding the completion of approved projects. Director Jarrell was asked if he needed more staff to perform the work related to the CIP. His response was that extra assistance was not necessary at this time. A still pending item from DPW is the Rate Study for the Water Fund, Sewer Fund, and Watershed Restoration Fund. The results are expected prior to June 1 and will dictate any necessary increases to the rates associated with those Funds.

Fire Department and Office of Emergency Management

Chief Stokes, Deputy Chief Remaley and Deputy Chief Simmons were present at Finance Committee to provide an update of departmental accomplishments and answer questions from the Committee. A review of the enhancements requested by the Fire Department revealed that the requests, while increases to the prior year budget, were not to support a new initiative. These requests were to support existing operations and to increase the FY 2019 budget to reflect the true cost of those operations. The Mayor's budget, as proposed, continues to support the higher level of Fire staffing that was attained using the SAFER grant. The grant is set to expire in January 2019. Concerns regarding recruitment and retention were also expressed to the Fire Department.

Police Department

Chief Baker and Captain Amoia were present at Finance Committee to provide an update of departmental accomplishments and answer questions from the Committee. Highlights from the discussion with the Police Department include: recruitment and retention needs and the necessity of the enhancement requests. It should be noted that the enhancement requests submitted by the Police Department are not for new initiatives. New initiatives were implemented mid-year FY 2017. Until this time, the budgets have not been appropriately adjusted. This has contributed to year-end overages within the Department. The County is offering signing bonuses, take home cars, and changes to its pay scale to entice officers to employment, the City must begin to examine its current hiring practices and identify ways to compete. That is another topic that has been added to the "Parking Lot" for further discussion after the budget is struck.

Transportation

Director Gordon was present at Finance Committee to provide an update of departmental accomplishments and answer questions from the Committee. Director Gordon discussed the potential for collaboration with the County regarding bus routes. Director Gordon was also asked by the Committee to find ways to fund the Transportation Fund while the Hillman Garage is off line. Further explanation regarding decreases in bus fares and the electronic fareboxes will be

reviewed in more detail after the budget process is complete. There was also discussion regarding the parking contract and its budgetary requests.

Recreation & Parks/Harbormaster

Director Archie Trader was in attendance to provide an update of departmental accomplishments and answer questions from the Committee. Director Trader discussed the pro's and con's of leasing equipment versus purchasing equipment. Extended hours for Pip Moyer Recreation Center were discussed, as well as the midnight basketball program. The Finance Committee requested that Director Trader review the Fee Schedule to verify if the current fees are accurate.

Planning & Zoning

Director Pete Gutwald, Assistant Director Maria Brown, and Dr. Sally Nash were present at Finance Committee to provide an update of departmental accomplishments and answer questions from the Committee. Highlights from the discussion with Planning & Zoning include: an update on the Forest Drive/Eastport Sector Study, implementing new legislative initiatives, a new Economic Development newsletter, and a Hispanic Business workshop. Director Gutwald sited increases in enforcement and monitoring, additional community interaction, and the absorbing of additional duties resulting from the re-organization as reasoning for his requested additional Planner position. There was additional discussion regarding Alderwoman Tierney's request for a part-time Compliance Officer for the department.

Mayor's Office

Jane Hruska, former Chief of Staff was present at Finance Committee to provide an update of departmental accomplishments and answer questions from the Committee. Ms. Hruska provided a preliminary overview of the Mayor's Office staffing. A second overview was provided by current Chief of Staff, Susy Smith. For the second overview, the Committee was provided position descriptions that had been updated by the HR Manager, Tricia Hopkins. The amended position descriptions were consistent with the duties being performed by the Mayor's staff. This revamping of the positions puts the duties in line with the descriptions and creates a foundation that future administrations may follow.

Office of Law

Richard Melnick, City Attorney, was present at Finance Committee to provide an update of departmental accomplishments and answer questions from the Committee. Mr. Melnick expressed concerns that his budget was not adequate to address the rising cost of contracting outside Counsel. City Manager Sutherland suggested proper use of the Self-Insurance Fund would be to bear the cost for insurance related claims from the Self-Insurance Fund. A short-term goal is to have the Actuary factor in the annually required contribution to cover attorney's fees related to insurance claims/cases. Once properly established, the Self-Insurance Fund would be able to absorb some of the expense, easing the pressure on the Law Office.

Office of Environmental Policy

Acting Director Raycine Hodo, Bryan Waters, and Jacqueline Guild were present at the Finance Committee to provide an update of departmental accomplishments and answer questions from the Committee. The Office of Environmental Policy put forward a request for an operating budget. Acting Director Hodo reviewed the enhancement requests put forward by the Office and to introduce its future Director, Jacqueline Guild. Those enhancements were approved in the Mayor's proposed FY 2019 budget, but eliminated in the Finance Committee recommendations. Currently, operating expenses for this division are absorbed within the Planning & Zoning budget and the City Manager's budget.

Management Information Technologies (MIT)

Barbara Smith, Acting MIT Manager, was present at the Finance Committee to provide an update of departmental accomplishments and answer questions from the Committee. Ms. Smith outlined the necessity for the enhancement requests that were presented to the Committee. The enhancement request for Contract Services was to adjust the level of the budget to the current expense associated with that line. The Training & Education enhancement was a request for additional funding to extend training opportunities to additional staff. Ms. Smith also addressed the need for the funding of the MIT Manager position. Ms. Smith has been performing in an "Acting Manager" position for close to three and one half years.

Human Resources (HR)

Tricia Hopkins, HR Manager, was present at Finance Committee to provide an update of departmental accomplishments and answer questions from the Committee. Ms. Hopkins represented the HR Office during budget deliberations. She expressed the need for filling her former position, which has been vacant and un-funded since Ms. Hopkins moved into the HR Manager position.

Finance

Former Finance Director Bruce Miller was available to answer questions regarding the Finance Administration Department budget. Brian Snyder was present to answer questions regarding the Finance - Purchasing Department budget. Both budgets were quickly reviewed due to a lack of enhancement requests.

"Tax Increase Summary"

As a tool to put the tax rate increase into perspective, City Manager Sutherland provided the Finance Committee with a schedule titled "City of Annapolis/Fiscal Year 2019 Proposed Budget/Summary of General Fund Increases," which has become more commonly referenced as the "Tax Increase Summary"("Summary"). The Finance Committee took this tool to heart and patterned budgetary deliberations after the summary sections. (See attached: Appendix A)

Existing Structural Deficit

The first section of the Summary is titled "Existing Structural Deficit." By definition, a structural deficit is a habitual spending beyond ones means. The items included in the section represent a combination of true and existing City expenses that have been underfunded and budgetary "cost-savings" methods of unattainable attrition.

For the City, required contributions for Pension and OPEB are determined by an actuarial valuation. There are set percentages that the City is required to pay per past bargaining agreements. In addition to these percentages, the Actuarial assesses the appropriate amount of contribution necessary to fully fund the Pension and OPEB liabilities. In previous year's, the City has budgeted the bargained percentages, but not the Actuarially Determined Contribution (ADC). The proposed budget fully addresses that shortfall for Pension and begins to address that shortfall for OPEB. City Manager Sutherland has referenced her own five year plan for getting the City on target for the OPEB ADC.

Another coping mechanism employed in previous budgets was to include an inflated, unattainable level of attrition as a budget balancing tool. Attrition can be defined as the gradual reduction of a workforce by employees' leaving and not being immediately replaced. When attrition exists, it can be a useful tool to right size spending for salaries and overtime, however, when combined with under budgeting for overtime these actions result in a reduced bottom line. Departments such as Police, Fire, and the Department of Public Works were left with unrealistic budgetary restrictions that were impossible to attain. The Mayor's proposed budget included zero attrition for the Police Department. Upon further analysis performed by the Finance Department and the City Manager, it was determined that $250,000 in attrition for the Police Department was reasonable. The Finance Committee recommendation includes adding in $250,000 in attrition for the Police Department. Chief Baker agreed that the number provided was realistic and did not unnecessarily burden the department. The proposed budget includes appropriate levels of attrition and levels of overtime that are in line with actual departmental usage.

To complete the "Existing Structural Deficit" section of the Summary page, the proposed budget addresses the previously unbudgeted leave chop expense related to the VEBA benefit. As a

benefit of the VEBA program, use or lose employee annual leave is rolled into each employees VEBA account. This action results in a leave chop expense applied to each departments salary line item. Because the expense is unbudgeted, it can cause a department to exceed its salary appropriation.

The implementation of the changes listed above address the City's structural deficit. Addressing this deficit is a policy decision that has the support of the Finance Committee. As recommended by the Finance Committee, the true funding of existing liabilities and true budgeting of existing expenses correct the structural deficit and result in an increase to the tax rate of 3.9 cents.

Mandatory increases in principal and interest payments on existing debt

The next item addressed by the Summary is a large increase in debt service for FY 2019. This item must be fully funded and is regulated by bond covenants and legal requirements for repayment. This obligation equates to 3 cents of the tax rate increase.

Pay-go funding, not bonds, for vehicle purchases and repairs and maintenance with pay-go

Capital Improvements funded with pay-go consist of the next section of the Summary. Recurring expenses such as Roadways, Sidewalks, Vehicles, and General Building capital improvements should be funded with recurring revenues. These items could be Bond/BAN funded, but that leaves the City, and essentially the tax payer, responsible to pay ongoing principal and interest for these annual expenses. The Finance Committee recommends a decrease in the pay-go funding for General Roadways to $1,000,000, but an increase to the funding from the Capital Reserve Fund to $2,000,000. The immediate impact of this action increases the funding for General Roadways to $3,000,000 annually, which in turn, adjusts the road paving cycle from a 30 year cycle to a more appropriate 20 year cycle. As an additional step to safeguard the decision to increase Roadways funding to $3,000,000 annually, the Finance Committee is recommending an amendment to the Capital Program to retain Roadways funding at $3,000,000 for FY 2020-FY 2024. In an effort to exhibit fiscal restraint and to keep the budget structurally sound, an additional amendment to Roadways provides a schedule of increasing recurring pay-go funding annually, while decreasing funding from the Capital Reserve Fund. The portion of the CIP funded by recurring pay-go equals 4.5 cents of the tax rate increase.

Step increases under current City Code provisions

Annually, the City approves a Compensation and Pay Plan that reflects the step increases for employees, by position grade, based upon a percentage per step of 5.361%. This budgetary increase is mandatory, unless lay-offs were implemented to reduce the impact. This item has been added to the "Parking Lot" list for the Finance Committee to revisit after the budget is adopted. Any changes to the Pay Plan would need to be bargained. The step increases constitute .6 cents of the tax rate increase.

Other General Fund budget changes (recurring)

This next section of the Summary includes various increases and decreases to the General Fund that round out the budget.

Increase in health insurance costs (8%)

Health insurance increases of eight percent are factored into the proposed budget. Another "Parking Lot" item is to explore the existing health insurance plans and determine if there are changes to the plans or changes to the contribution percentages that could lead to savings in future years. Any changes to health insurance would need to be bargained. (1.6 cents of the real estate tax rate increase)

New and Restored Positions

The Mayor's proposed budget included funding for additional hours for existing positions, new positions, and restoration of funding for previously funded positions. The Finance Committee has amended this proposal by adding an additional position of Assistant to the City Manager. These positions address current staffing shortfalls as identified by the Mayor, Department Heads, and the Finance Committee. The net change from the Mayor's proposed budget to the Finance Committee recommendation is an increase of $80,000. In total, new and restored positions equal .9 cents of the real estate tax rate increase.

Departmental enhancements – non-personnel costs

The Mayor's proposed budget included funding for various departmental needs. The Finance Committee is recommending changes to these allocations that result in a savings of $137,200. This savings is a combination of reductions and additions, including the addition of funding for a City-wide Citizen Survey and extended hours of operation for the Pip Moyer Recreation Center. (1.5 cents of the real estate tax rate increase)

Contingency for union negotiations

An amount set aside for pending Union negotiations is included in the proposed General Fund budget. Negotiations have not closed at this time. This contingency amount is to be set aside for anticipated costs. (1.4 cents of the real estate tax rate increase)

Reductions – other General Fund cost savings

The line item titled "Reductions- other General Fund cost savings" represents the net impact of miscellaneous reductions throughout the General Fund budget. Details of those items can be found within the Summary document. (reduction to the real estate tax rate increase of 1 cent)

Increases in General Fund revenues other than real property taxes

The line item titled "Increases in General Fund revenues other than real property taxes" highlights changes in non-real property revenues that have resulted in a net increase of revenues.

After the Mayor's budget was proposed, City Manager Sutherland reviewed the revenue estimates and determined the City would realize more income tax revenue than was included in the proposed budget. At her suggestion, the Finance Committee is recommending to increase the Income Tax revenue budget by an additional $1,400,000. (reduction to the real estate tax rate of 3.2 cents)

Increase in Tax Incremental Fund (TIF) revenue and Increase in real property tax revenue attributable to increase in assessments

To finish the revenue adjustments, the Summary outlines the addition of $1,320,000 in Real Estate Tax revenue resulting from the Park Place property, and an increase to the real property tax revenue resulting from the increase in assessments. (reduction to the real estate tax rate of 3.3 cents)

Conclusion

The Finance Committee set as an initial goal, finding ways to ease the burden of the proposed 13 cent per hundred tax rate increase yet still deliver the services expected by City residents. We reviewed in detail the appropriation budget proposed by the Mayor. We interviewed each Department and asked tough questions about their operations and their requests for supplemental spending amounts. We spent hours reviewing and analyzing the Tax Increase Summary schedule that lays out spending and revenue in terms of how each line translated into cents per hundred of the property tax rate increase. By the end of our arduous deliberations we offer about two million dollars ($2mm) worth of reductions to the tax rate increase, or about three cents (See Handout). We also spent a great amount of time analyzing the Capital Improvement Plan (CIP) and are recommending significant change to that part of the City portfolio. Here is a summary of the Committee recommendations:

- Decrease Police attrition from $970,000 to $750,000 ($220,000)
- Reduced Department supplemental spending from $1,147,881 to $1,020,681 ($137,200)
- Found, with the guidance of the City Manager, additional income tax revenue of $1,400,000
- Increased personnel costs by $80,000 to add a Assistant City Manager position
- Reduced PayGo Funding for street resurfacing by $320,000 to be funded by the Capital Reserve Fund
- In the CIP
  - Increased street resurfacing schedule from 3 miles to 4.5 miles per annum, thus moving from a 30 year replacement schedule to a 20 year schedule
  - Recommended no new bond issuance in fiscal 2019 and repurpose existing bond funding issued but unspent to cover funding needs in 2019
  - Keep in place existing CIP plans for;

- Truxton Park Pool replacement
- Re-bricking of Main Street plans until new design work can be developed, presented and approved
- Plans for the new Department of Public Works facility can be redeveloped, presented and approved

The Finance Committee also expresses its concern that we not just finance new spending through property tax rate increases, but also consider reducing spending by reductions in services, with the accompanying reduction in staffing costs. We heard calls from citizens to reduce employee compensation, but recognized the civil service and union negotiation aspects of such reductions. We believe that this sort of action is well beyond the capacity and time constraints of the one month the Committee had for its deliberations.

Finally, due to the numerous changes in staff and format of presentations, the Committee never had time to analyze three important areas: FTEs (full time equivalent employees), Fund Balances, and out-year projections of the Appropriations Budget. We highly recommend that the Council be given these pieces of information for its deliberations as we move to a final Budget vote in June.

City Manager Sutherland stated that the budget, as proposed by the Mayor, eliminates the structural deficit. It is the duty of the City Council to exercise fiscal constraint to maintain that status in this year and future years. The recommendations put forward by the Finance Committee continue to address the structural deficit, while attempting to make the tax increase more palatable for the citizens of Annapolis.

Legislative Recommendations

O-16-18: Annual Operating Budget:

Amendment #1
Page 1, Line 44 of the Ordinance, strike "$0.779" and insert "$0.748"
Page 2, Line 2 of the Ordinance, strike "$0.779" and insert "$0.748"

Rationale: To reduce the tax rate increase to $0.748 per $100 of assessment.

Amendment #2
Page 2, Line 6 of the Ordinance, strike "Seven Hundred Seventy Nine Cents ($0.779)" and insert "One Dollar Ninety-Four Cents ($1.94)"
Page 2, Line 11 of the Ordinance, strike "Seven Hundred Seventy Nine Cents ($0.779)" and insert "One Dollar Ninety-Four Cents ($1.94)"

Rationale: To correct the personal property tax rate to $1.94 per $100 of assessment.

Amendment #3
On Line 664 of the Schedule of Appropriations, strike "52,705,501" and insert "50,677,876"

Rationale: To reduce the tax rate increase to $0.748 per $100 of assessment.

Amendment #4
On Line 755 of the Schedule of Appropriations, strike "6,600,000" for Income Tax FY 19 and insert "8,000,000"

Rationale: The State of Maryland has confirmed a significant increase in Income Tax for fiscal year 2019. This amended amount reflects that anticipated increase.

Amendment #5
On Line 822 of the Schedule of Appropriations, strike "763,595" and insert "823,595" and on line 823 of the Schedule of Appropriations, strike "110,847" and insert "130,847"

Rationale: To fund $60,000 in Salaires and $20,000 in Benefits to the Mayor's Office for an Assistant to the City Manager position.

Amendment #6

On Line 837 of the Schedule of Appropriations, strike “25,000” and insert “55,000”

Rationale: To increase City Manager’s Office Contract Services by $30,000 to fund a City-wide Citizen Survey to identify programs and services that are most valued by the constituents

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Amendment #7
On Line 875 of the Schedule of Appropriations, strike “2,000” and insert “1,000”
On Line 877 of the Schedule of Appropriations, strike “81,000” and insert “56,000”
On Line 879 of the Schedule of Appropriations, strike “9,000” and insert “7,500”

Rationale: To defund Law Office enhancements of $25,000 to Legal Services, $1,000 to Copier, and $1,500 to Training and Education.

Amendment #8
On Line 934 of the Schedule of Appropriations, strike “6,000” and insert “1,500”

Rationale: To defund MIT enhancement of $4,500 to Training & Education

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Amendment #9
On Line 1098 of the Schedule of Appropriations, strike “705,000” and insert “675,000”

Rationale: To reduce Police Department enhancement by $30,000 Contract Services.

Amendment #10

On Line 1051 of the Schedule of Appropriations, strike “0” and insert “220,000”

Rationale: To reinstate attrition in the amount of $220,000.

Amendment #11
On Line 1186 of the Schedule of Appropriations, strike “2,000” and insert “0”
On Line 1193 of the Schedule of Appropriations, strike “1,000” and insert “0”
On Line 1197 of the Schedule of Appropriations, strike “26,000” and insert “0”
On Line 1198 of the Schedule of Appropriations, strike “31,200” and insert “0”

Rationale: To defund Office of Environmental Policy enhancements of $26,000 to Tree Canopy Services, $31,200 to Special Programs, $1,000 to Training & Education, and $2,000 to Supplies.

Amendment #12
On Line 1258 of the Schedule of Appropriations, strike “100,000” and insert “85,000”

Rationale: To reduce DPW – Roadways by $15,000 Supplies.

Amendment #13
On Line 1283 of the Schedule of Appropriations, strike "18,000" and insert "15,000"

Rationale: To reduce DPW – Traffic Control and Maintenance by $3,000 R&M Equipment.

Amendment #14
On Line 1284 of the Schedule of Appropriations, strike "10,500" and insert "9,000"

Rationale: To reduce DPW – Traffic Control and Maintenance by $1,500 Contract Services.

Amendment #15
On Line 1341 of the Schedule of Appropriations, strike "205,000" and insert "200,000"

Rationale: To reduce DPW – Buildings by $5,000 R&M Buildings & Structures.

Amendment #16
On Line 1345 of the Schedule of Appropriations, strike "470,000" and insert "445,000"

Rationale: To reduce DPW – Buildings by $15,000 Contract Services.

Amendment #17
On Line 1412 of the Schedule of Appropriations, strike "847,403" and insert "851,903

Rationale: To increase Recreation & Parks – Parks by $4,500 Salaries.

Community Grant Allocations
The Community Grant Committee presented funding recommendations to the Finance Committee (see attached). There was follow-up discussion regarding the allocations, but no formal amendments have been made at this time.

Enterprise Fund Enhancements
The Finance Committee reviewed and approved the Enterprise Fund enhancements that were included in the Mayor's proposed budget. No changes were made by the Committee.

The Operating Budget, as amended, was recommended favorably by the Finance Committee to the City Council.

O-17-18: Capital Budget Fiscal Year 2019:

It is the intent of the Finance Committee that the amendments recommended to R-13-18 be applied to O-17-18.

R-14-18: Position Classifications and Pay Plan:

Amendment #1
Add new positions recommended under O-16-18: Arts and Veteran Affairs Liaison, Assistant to the City Manager, MIT Manager, and the Recruitment/Employee Relations Administrator

Rationale: These positions were either submitted as part of the Mayor's proposed budget, or added as part of the Finance Committee recommendations.

The Finance Committee has not discussed R-14-18 with the City Manager. At this time, they offer no recommendation.

R-13-18: Capital Improvement Program: Fiscal Years 2020-2024:

Amendment #1
General Fund, Russell Street
Project # 40013

Strike "670,000" from FY 2020 program, Insert "670,000" in FY 2019 request, retain funding source of "Other – Pay-go from Capital Reserve Fund Balance"

Rationale: To fund Russell Street improvements in FY 2019

Amendment #2
General Fund, Barbud Lane
Project # 40014

Insert "530,000" in FY 2019 request, funding source "Other – Pay-go from Capital Reserve Fund Balance"

Rationale: To keep Barbud Lane as an individual project that is funded in FY 2019

Amendment #3
General Fund, Main Street Re-Bricking

Project # 40011

Strike “600,000” from FY 2019 request, Insert “60,000” in FY 2019 request, funding source “Other – Pay-go from Capital Reserve Fund

Rationale: To fund design only for additional Main Street Re-Bricking plans

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Amendment #4
General Fund, RMS/CAD System for Law Enforcement
NEW PROJECT

Strike “250,000” from FY 2019 request, Strike “150,000” from FY 2020 program, FY 2021 program, FY 2022 program, FY 2023 program; Insert “850,000” in FY 2019 request, funding source “Other- Capital Lease”

Rationale: To fund RMS/CAD System for Law Enforcement in FY 2019 with the funding source of a Capital Lease

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Amendment #5
General Fund, Standard Specifications and Construction Details
NEW PROJECT

For FY 2019 request and FY 2020 program, Strike “105,000” from “Bonds” and Insert “105,000” to “Other- Pay-Go from Capital Reserve Fund Balance”

Rationale: To change source of funding for project from Bonds/BAN to Other – Pay-Go from Capital Reserve Fund Balance

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Amendment #6
General Fund, PMRC Cardiovascular & Weight Lifting Equipment Replacement
NEW PROJECT

Strike full project page from CIP

Rationale: This item is funding within the operating account

Amendment #7
General Fund, General Roadways
Project # 40006/40012

Strike “1,250,000” from FY 2019 request “Pay-Go Recurring,” Insert “1,000,000”; Strike “1,250,000” from FY 2019 request “Other – Pay-go from Capital Reserve Fund Balance,” Insert “2,000,000”

Strike “2,000,000” from FY 2020 program, FY 2021 program, FY 2022 program, FY 2023 program, FY 2024 program; Insert “1,750,000” “Pay-go recurring,” Insert “1,250,000” “Other – Pay-go from Capital Reserve Fund Balance for FY 2020; Insert “2,000,000” “Pay-go recurring,” Insert “1,000,000” “Other – Pay-go from Capital Reserve Fund Balance for FY 2021; Insert “2,250,000” “Pay-go recurring,” Insert “750,000” “Other – Pay-go from Capital Reserve Fund Balance for FY 2022; Insert “2,500,000” “Pay-go recurring,” Insert “500,000” “Other – Pay-go from Capital Reserve Fund Balance for FY 2023; Insert “3,000,000” “Pay-go recurring,” Insert “0” “Other – Pay-go from Capital Reserve Fund Balance for FY 2024.

Rationale: To fund General Roadways at $3,000,000 annually; increasing the paving cycle from 30 years to 20 years; annually increasing the amount of recurring pay-go to fund roadways over a 6 year period.

The Capital Improvement Program Fiscal Years 2020--2024, as amended, was recommended favorably by the Finance Committee to the City Council.

R-15-18: Fee Schedule:

The Fee Schedule was recommended as follows: various “housekeeping” changes to Harbormaster Fees, the addition of a Fireworks Application Fee, and a reduction to Taxi Cab Permit Fees. (see attached)

The Fee Schedule, as amended, was recommended favorably by the Finance Committee to the City Council.

R-16-18: Fine Schedule:

The Fine Schedule, as presented, was recommended favorably by the Finance Committee to the City Council.

Parking Lot Items

Throughout the budgetary process, other items have been identified by the Finance Committee that will require additional attention or action on the part of the Council. Those items are outlined below.

- Negative Cash/Fund Balances in Parking & Transportation
- CIP Amendment for Parking Garage gates
- Re-Name the label of "Special Projects" to provide further transparency
- Re-Classification of the Special Events Coordinator position to permanent Civil Service and place under the City Manager's Office (cost will be $6,000.00 for retirement)
- Status of Pool: Review of various costing scenarios
- Big increase in debt service
- Review of Bond Rating
- Fare box Revenue: Fare box Revenue Ratio/Declining Revenues
- Re-Classification of Risk Analyst to the City Manager's Office
- Evaluation of Harbormaster, MIT, and HR in City organizational structure
- Changes to health insurance contribution percentages; History of health insurance
- Recruitment Issues; possible hiring incentives, recruitment budgets, etc.
- Revisit Fees & Fines
- Revisit Fund Balance Policy
- Evaluate value of Step Increases; possibilities for reduction and more generic COLA's
- Review of Special Events Revenues and Policy towards billing
- Lockbox for Pay-Go Fund (Law)
- CIP Project Backlog/Unused Bonds/Project timelines
- Work session to discuss new plans for Main Street Re-Bricking and DPW Maintenance Facility
- Beginning of CIP replacement plan for Hillman
- Plan to fund Transportation while Hillman garage is out of service
- VEBA benefit to Police and Fire
- Quarterly reports from DPW regarding CIP project status
- Reporting from liaison positions within the Mayor's Office

CITY OF ANNAPOLIS
FISCAL YEAR 2019 PROPOSED BUDGET
SUMMARY OF GENERAL FUND INCREASES

	Mayor's Proposed FY 2019			Finance Committee Proposed FY 2019		
	Amount	Cents	Cumulative Cents	Amount	Cents	Cumulative Cents
Existing Structural Deficit						
Increase to fully fund the Actuarially Determined Contribution (ADC) for pension	490,000	0.7	0.7	490,000	0.749	0.7
Increase in funding for retiree health insurance liabilities (still $1.1 million less than the ADC)	300,000	0.5	1.2	300,000	0.459	1.2
Increase to cover existing unfunded personnel costs for "use or lose" annual leave that is paid into VEBA accounts	275,000	0.4	1.6	275,000	0.420	1.6
Increase for funding for existing, unfunded personnel costs in the Fire Department (increases funding for overtime by $150,000 and decreases attrition from $650,000 to $150,000)	650,000	1.0	2.6	650,000	0.994	2.6
Increase in funding for existing, unfunded personnel costs in the Police Department (increases overtime by $400,000 and decreases attrition from $570,000 to $220,000)	970,000	1.5	4.1	750,000	1.147	3.8
Increase in funding for existing, unfunded personnel costs in DPW (unattained attrition)	99,846	0.2	4.3	99,846	0.153	3.9
				-		
Mandatory increases in principal and interest payments on existing debt	1,993,845	3.0	7.3	1,993,845	3.049	7.0
				-		
Pay-go funding, not bonds, for vehicle purchases and repairs and maintenance with pay-go				-		
Vehicles per CIP	1,000,000	1.5	8.8	1,000,000	1.529	8.5
Capital facility improvements per CIP	350,000	0.5	9.4	350,000	0.535	9.0
Sidewalks per CIP	600,000	0.9	10.3	600,000	0.917	10.0
Roads per CIP	1,320,000	2.0	12.3	1,000,000	1.529	11.5
				-		
Step increases under current City Code provisions	420,000	0.6	12.9	420,000	0.642	12.1
				-		
Other General Fund budget changes (recurring)				-		
Increase in health insurance costs (8%)	1,014,000	1.6	14.5	1,014,000	1.550	13.7
New and Restored positions ①	481,608	0.7	15.2	561,608	0.859	14.5
Department enhancements - non-personnel costs ②	1,147,881	1.8	17.0	1,010,681	1.545	16.1
Contingency for union negotiations	938,339	1.4	18.4	938,339	1.435	17.5
Reductions - other General Fund cost savings ③	(650,993)	(1.0)	17.4	(650,993)	(0.995)	16.5
Increases in General Fund revenues other than real property taxes ④	(743,811)	(1.1)	16.3	(2,143,811)	(3.278)	13.2
Increase in Tax Increment Fund (TIF) revenue	(1,320,000)	(2.0)	14.3	(1,320,000)	(2.018)	11.2
Increase in real property tax revenue attributable to increase in assessments	(839,180)	(1.3)	13.0	(839,180)	(1.283)	9.9
	8,496,535	13.0		6,499,335	9.938	

Other General Fund budget changes (nonrecurring - to be funded with Unassigned General Fund balance)	
Law Office - Case management software	20,000
MIT - MS Office Suite	107,338
Fire Department - Bullet proof vests	30,000
Total	157,338

① Department Enhancements - Personnel Costs	Amount Proposed Mayor FY 2019	Amount Proposed Finance Committee FY 2019	Proforma Line #
Mayor's Office			
Additional African - America Liaison (approx. 20 hours/week, $20.02/hour + FICA	21,530	21,530	822/823
Hispanic Liaison (convert to full-time, additional 20 hours/week; $20.02/hour + FICA	21,530	21,530	822/823
Arts & Entertainment Position (approx. 35 hours/week, $16.48/hour + FICA + benefits)	42,625	42,625	822/823
City Manager's Office			
Assistant to the City Manager ($80,000 for Salary and Benefits)	-	80,000	822/823
MIT			
Fund MIT Manager position (Grade A18) with FICA and benefits	133,537	133,537	925/927
HR			
Recruitment/Employee Relations Administrator - Grade A16	125,916	125,916	966/967
Contractual Position	40,000	40,000	966/967
Planning & Zoning			
(Planner position - Grade A13, step 1, with FICA and benefits)	96,471	96,471	1008/1009
Total Department Enhancements - New Positions	**481,608**	**561,608**	

② Department Enhancements - Non-personnel Costs	Amount Proposed Mayor FY 2019	Amount Proposed Finance Committee FY 2019	Proforma Line #
City Manager's Office			
City-wide Citizen Survey	30,000	30,000	837
Law Office			
Increase to Legal Services for Outside Counsel	25,000	-	877
Increase to Copier	1,000	-	875
Increase to Training & Education	1,500	-	879
MIT			
Increase to Contract Services	20,000	20,000	937
Increase to Training & Education	4,500	-	934
Office of Environmental Policy			
Sea Bins/Marina Trash Skimmer	20,000	-	1198
Increase to Special Programs (Tree Canopy)	26,000	-	1197
Outreach for No Discharge Zone	10,000	-	1198
Star Sustainability Membership	1,200	-	1198
Supplies	2,000	-	1186
Training & Education	1,000	-	1193
Fire			
EMS Supplies	18,771	18,771	1117
Agility Training/Background Checks for New Hires	50,000	50,000	1127
Clothing for Additional FF's	20,000	20,000	1123
Police			
Prisoner Transport	120,934	120,934	1098
Crisis Response Team	110,000	110,000	1098
Body Worn Camera Contract	145,000	145,000	1098
Body Worn Camera Additional Expenses	78,466	78,466	1098/1081
Surveillance Camera's Additional Expenses	86,000	86,000	1081
Taser Cartridges	15,000	15,000	1081
Connectivity for Cameras	102,000	102,000	1081
Other Operating Increases	85,110	85,110	1083/1084/1085/1086/1087/ 1088/1090/1091/1092/1093/ 1095/1097
Dept. of Public Works			
Increase to Fleet - R&M Maintenance	35,400	35,400	1321
Increase to Bldgs - R&M Buildings	10,000	5,000	1341
Increase to Bldgs - Contract Services	50,000	25,000	1345
Increase to Traffic Control - R&M Equip	6,000	3,000	1283
Increase To Traffic Control - Contract Services	3,000	1,500	1284
Increase to Streets - Supplies	30,000	15,000	1258
Recreation & Parks			
Maintenance for Cardio Room & Weight Room	40,000	40,000	1403/1404
Extended hours for Pip Moyer Recreation Center	-	4,500	1412/1414
Total Department Enhancements - Non-personnel Costs	**1,147,881**	**1,010,681**	
③ Reductions - Other General Fund cost savings	**Amount**	**Amount**	**Proforma Line #**
Increases/(Decreases) in Salaries and Benefits			
Boards & Commissions	16,915	16,915	811
Administration	72,572	72,572	824
Public Information	(93,046)	(93,046)	853
City Attorney	42,252	42,252	871
Finance	119,875	119,875	910
MIT	283,366	283,366	928
Purchasing	29,944	29,944	949
Human Resources	195,854	195,854	968
Special Projects	(3,840)	(3,840)	994

Planning & Zoning	179,249	179,249	1010
Police	932,202	932,202	1078
Fire	874,935	874,935	1114
Office of Environmental Policy	(116,495)	(116,495)	1183
PW Admin	38,906	38,906	1214
PW Engineering & Construction	(28,053)	(28,053)	1234
PW Roadways	755,690	755,690	1256
PW Traffic Control & Maintenance	17,940	17,940	1277
PW Fleet Maintenance	36,965	36,965	1313
PW Governmental Buildings	87,907	87,907	1335
Recreation & Parks - Recreation	377,504	377,504	1361
Recreation & Parks - Parks	(380,295)	(380,295)	1417
Less step increases included above	(420,000)	(420,000)	multi
Less insurance increases included above	(1,014,000)	(1,014,000)	multi
Less funding for new positions included above	(481,608)	(481,608)	multi
Less Fire O/T and attrition restoration included above	(650,000)	(650,000)	1110/1109
Less Police O/T and attrition restoration included above	(970,000)	(970,000)	1061/1051
Less DPW attrition restoration included above	(99,846)	(99,846)	1212/1233/1253/1275/1334
Other General Fund cost savings- Non-personnel costs			
Boards & Commissions	(5,000)	(5,000)	816
Administration	(1,000)	(1,000)	840
Public Information	19,000	19,000	860
City Attorney	(3,500)	(3,500)	881
Finance	38,500	38,500	921
MIT	(127,338)	(127,338)	938
Purchasing	(1,000)	(1,000)	959
Human Resources	(7,445)	(7,445)	984
Special Projects	-	-	1002
Planning & Zoning	11,250	11,250	1026
Police	-	-	1100
Fire	(65,354)	(65,354)	1142
Office of Environmental Policy	-	-	1200
PW Admin	(15,750)	(15,750)	1225
PW Engineering & Construction	(3,100)	(3,100)	1245
PW Roadways	5,500	5,500	1268
PW Traffic Control & Maintenance	-	-	1287
PW Fleet Maintenance	4,000	4,000	1325
PW Governmental Buildings	(10,500)	(10,500)	1347
Recreation & Parks - Recreation	(85,250)	(85,250)	1406
Recreation & Parks - Parks	21,100	21,100	1457
Transfer to Self Insurance Fund	50,000	50,000	1553
Retiree Health Insurance Liabilities	300,000	300,000	1559
Transfer to Transportation Fund	100,000	100,000	1570
Transfer to Sidewalks Fund	(680,000)	(680,000)	1561
Reductions - Other General Fund cost savings	**(650,993)**	**(650,993)**	
④ Increases in General Fund revenues other than real property taxes	**Amount**	**Amount**	**Proforma Line #**
Taxes/Personal Property	(54,680)	(54,680)	680
Licenses and Permits	359,000	359,000	705
Fines and Forfeitures	141,720	141,720	715
Money and Property	130,500	130,500	725
Miscellaneous	(11,000)	(11,000)	740
Charges for Services	340,000	340,000	747
Intergovernmental	236,731	1,636,731	765
Transfers and Other Sources	(398,460)	(398,460)	783
Total increase in General Fund revenues other than property taxes	**743,811**	**2,143,811**	

City of Annapolis Community Grant Funding FY 2019

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	Total FY 2018 Adopted ($334,500)	FY 2019 Requested	FY 2019 Proposed
Food Programs for Children/Youth				
Feed A Healthy Mind	4,000	4,000	10,000	5,000
Heritage Baptist Church (Backpack Buddies)	3,500	3,500	3,500	3,500
Education Programs for Children/Youth				
AA Comm. Action Agency/Green Summer Works	-	2,000	22,594	3,000
Anne Arundel County Public Library	12,100	12,000	15,000	12,000
Boys and Girls Club of Annapolis & AACo	6,000	6,000	8,733	7,000
Chesapeake Children's Museum	1,500	1,500	-	-
Compass Rose Studio Theatre	1,400	2,000	2,500	2,500
Creating Communities, Inc	4,000	5,000	15,000	5,000
Seeds 4 Success	2,000	2,000	10,000	4,200
Start the Adventure in Reading (STAIR)	-	2,000	8,000	3,000
Mentoring/Life Skills Programs for Children/Youth				
Box of Rain Foundation	2,500	5,000	20,000	7,000
Restoration Community Development Corp	12,000	10,000	20,000	15,000
Education Programs for Adults				
Center of Help (Centro De Ayuda)	12,000	13,000	25,000	13,000
OIC of Anne Arundel County	12,000	12,000	40,000	15,000
Homelessness/Addiction Programs				
Anne Arundel County Dept of Social Services	7,000	8,000	20,000	10,000
He Opens Paths to Everyone (HOPE for All)	-	2,000	16,000	6,000
Lighthouse Shelter	20,000	20,000	25,000	20,000
Samaritan House	-	6,000	-	-
We Care and Friends	40,000	40,000	40,000	40,000
Services for Youth and Adults				
Annapolis Maritime Museum	-	5,000	12,805	5,000
Annapolis Youth Services Bureau/AA Community Action A	28,000	28,000	69,840	30,000
Annapolis Wellness House	5,000	5,000	38,000	5,000
Baltimore Neighborhoods Inc	3,500	2,000	3,500	3,500
Bloomsbury Square Parking Assistance	2,200	2,200	1,000	1,000
Chesapeake Region Accessible Boating (CRAB)	-	-	*2,500*	*2,500*
Partners In Care	3,000	3,000	30,000	3,000
Penisula Athletic League INC (PALI)	-	-	*3,967*	*1,000*

City of Annapolis Community Grant Funding FY 2019

CATEGORY 2

Provide programs that preserve and enhance a community's character

	FY 2017 Adopted	Total FY 2018 Proposed Allocations ($334,500)	FY 2019 Requested	FY 2019 Proposed
Arts in Public Places (AIPPC)	14,300	15,300	-	15,300
Bates Legacy Center	28,000	28,000	38,400	28,000
Historic Annapolis Foundation	10,000	10,000	-	-
Kunta Kinte-Alex Haley*	3,000	3,000	3,000	3,000
Maryland Hall for the Creative Arts	18,000	25,000	25,000	20,000
University of MD Archeological Project	8,000	-	-	-

*$7,500 for Kunta Kinte - Alex Haley is included within the Special Projects budget

CATEGORY 3

Provide programs that contribute to a vibrant economy

	FY 2017 Adopted	Total FY 2018 Proposed Allocations ($334,500)	FY 2019 Requested	FY 2019 Proposed
Annapolis Film Festival	-	15,000	20,000	15,000
Volunteer Center of Anne Arundel County	4,000	3,000	5,000	3,000

CATEGORY 4

Provide programs that are integral to community revitalization, economic development and environmental sustainability

	FY 2017 Adopted	Total FY 2018 Proposed Allocations ($334,500)	FY 2019 Requested	FY 2019 Proposed
Annapolis Londontown/4 Rivers	28,000	28,000	28,000	28,000
Mu Rho Uplift Foundation	-	6,000	-	-
GRAND TOTAL	**295,000**	**334,500**	**582,339**	**334,500**

-

FEES SCHEDULE - FY 2019

Effective July 1, 2018

Section	Type of Fee	Amount of Fee FY 2019
2.48.100	Fee for application, appeal, or other action to Board of Appeals	$250.00
2.52.030	Petition for annexation	$4,000.00
4.20.050	Filing fees for nomination to public office	
	Mayor	$120.00
	Alderman	$60.00
	Central committee	$50.00
6.04.140	Lien certificate	$50.00
6.28.020	Covered emergency medical services	
	BLS transport	$700.00
	ALS transport	$700.00
	ALSII transport	$750.00
6.04.210	Fee for bounced checks, City-wide standard	$50.00
	Non-covered emergency medical services	$500.00
	Merchant service charge for all electronic payments	2% of total transaction cost
	Credit collection pass-through	$55.00
7.04.030	Fee for transfer of license of alcoholic beverage	
	½ of the annual fee not to exceed	$500.00
7.08.010	Fee for each license	$50.00
7.08.020	Billposters per year	$50.00
7.08.030	Bowling alleys per year	$50.00
7.08.040	Miniature golf courses & other outdoor amusements, per year	$50.00
7.08.050	Each pole, per year	$100.00
7.08.060	Theater, per year	$50.00
7.12.120	Alcoholic beverage license, each application	$225.00
7.12.250	.a.b.c Plus on-premises wine tasting	plus 33% of the base licensing fee
7.12.280	For alcoholic beverage license	
	Refillable container license for holders of A, B, D and E classes of	With current off-

	alcoholic beverage licenses	sale privilege plus $50.00. Without current off-sale privilege plus $500.00.
	A, off sale, package goods:	
	-1 six a.m. to twelve midnight, Monday through Saturday	
	Beer	$730.00
	Beer and light wine	$1,810.00
	Beer, wine and liquor	$3,280.00
	c. Plus on-premises wine consumption	plus 25% of the base license fee
	-2 six a.m. to midnight, seven days per week (special Sunday license)	
	Beer	$880.00
	Beer and light wine	$2,320.00
	Beer, wine and liquor	$4,140.00
	b. Plus beer and wine tasting	plus $480.00
	c. Plus on-premises wine consumption	plus 25% of the base license fee
	B, restaurants:	
	-1 Only with meals, six a.m. to midnight, Monday through Saturday	
	Beer	$510.00
	Beer and light wine	$1,190.00
	Beer, wine and liquor	$1,890.00
	-2 Only with meals, six a.m. to midnight, seven days per week	
	(Special Sunday license)	
	Beer	$760.00
	Beer and light wine	$1,470.00
	Beer, wine and liquor	$2,230.00
	-3 On sale, six a.m. to midnight, Monday through Saturday	
	Beer	$680.00
	Beer and light wine	$1,890.00
	Beer, wine and liquor	$2,940.00
	-4 On sale, six a.m. to midnight, seven days per week	
	(Special Sunday license)	

	Beer	$1,190.00
	Beer and light wine	$2,410.00
	Beer, wine and liquor	$3,800.00
	.x In addition, sales as authorized from midnight to two a.m.	
	Beer	plus $410.00
	Beer and light wine	plus $1,020.00
	Beer, wine and liquor	plus $1,360.00
	a. In addition, off-sale Monday through Saturday during hours	
	Beer	plus $210.00
	Beer and light wine	plus $410.00
	Beer, wine and liquor	plus $920.00
	b. In addition, off-sale Sunday during authorized hours (Special Sunday license)	
	Beer	$110.00
	Beer and light wine	$160.00
	Beer, wine and liquor	$410.00
	C, clubs:	
	On sale, six a.m. to two a.m., seven days per week	
	Beer	$1,130.00
	Beer and light wine	$1,890.00
	Beer, wine and liquor	$2,260.00
	D, taverns:	
	-1 On sale, six a.m. to midnight, seven days per week (Special Sunday license)	
	Beer	$1,130.00
	Beer and light wine	$2,070.00
	Beer, wine and liquor	$3,090.00
	a. In addition, off-sale, Monday through Saturday during authorized hours	
	Beer	$560.00
	Beer and light wine	$680.00
	Beer, wine and liquor	$1,070.00
	b. In addition, off-sale Sunday during authorized hours	
	(Special Sunday license)	

	Beer	$160.00
	Beer and light wine	$250.00
	Beer, wine and liquor	$420.00
	E, hotels:	
	-1 On sale, six a.m. to midnight, seven days per week	
	(Special Sunday license)	
	Beer	$1,020.00
	Beer and light wine	$2,410.00
	Beer, wine and liquor	$3,460.00
	.x In addition, sales as authorized from midnight to two a.m.	
	Beer	$610.00
	Beer and light wine	$1,020.00
	Beer, wine and liquor	$1,890.00
	a. In addition, off-sale Monday through Saturday during authorized hours	
	Beer	$410.00
	Beer and light wine	$610.00
	Beer, wine and liquor	$820.00
	b. In addition, off-sale Sunday during authorized hours	
	(Special Sunday license)	
	Beer	$160.00
	Beer and light wine	$210.00
	Beer, wine and liquor	$280.00
	F, yacht clubs:	
	All hours, on sale, seven days per week (Special Sunday license)	
	Beer	$2,270.00
	Beer and light wine	$4,560.00
	Beer, wine and liquor	$6,830.00
	ICA, Institutions for the Care of the Aged:	
	On sale, seven days per week during authorized hours	
	Beer, wine and liquor	$2,660.00
	WB, wine bars	$2,300.00
7.12.330	Temporary special class C license to clubs	

	One-day beer (per day)	$50.00
	One-day beer, wine and liquor (per day)	$75.00
7.12.330(F)	Temporary special Class C license to theaters One day beer, wine and liquor (per day)	$5.00 with maximum total annual amount of $100.00
7.16.020	Application for a carnival or circus license	$55.00
7.16.030	Fee for carnival or circus license	
	Class A licenses: carnivals (excluding carnivals operated by fraternal, religious or charitable organizations or volunteer fire companies)	
	From 1 to 10 concessions (per week)	$120.00
	From 1 to 20 concessions (per week)	$225.00
	From 1 to 40 concessions (per week)	$450.00
	More than 40 concessions (per week)	$560.00
	Class B licenses: Circuses per week, not prorated to a per-day basis	$85.00
	Class C licenses: amusement devices, per annum, per device	$50.00
	Class D licenses: arcade, per annum	$560.00
	Class E licenses: claw machines, per annum, per device	$450.00
	Class F licenses: pinball games, per annum, per device	$450.00
	Class G licenses: console games, spinner-type, per annum, per device	$450.00
	Class H licenses: console games, spinner-type or bell-type, single coin chute, per annum, per device	$450.00
	Class I licenses: console games	
	Ball-type, single-coin-chute type, per annum, per device	$60.00
	2 or more coin chutes, per annum, per device	$510.00
	Class J licenses: distributor's license, per annum	$560.00
	Class K licenses: one-arm bandit, per annum	$450.00
	Class L licenses: shuffleboards, bowlers, bowling tables, pool tables and similar games requiring a five-cent, ten-cent or twenty-five-cent coin for operation, in connection with which no prizes or awards, including free replays, are dispensed or given in any manner whatsoever, per annum, per device	$60.00
	Class M licenses: electronic video games, per annum, per device	$120.00
7.20.010	Fee for a closing-out-sale license	
	For a period not exceeding 10 days	$120.00
	For a period not exceeding 20 days	$230.00

	For a period not exceeding 30 days	$340.00
7.24.010	License for fortunetelling per year	$50.00
7.28.030	Space for sale of Christmas trees: 15 days or any portion of 15 days for each 10 feet	$50.00
7.32.030	Nonrefundable application fee for massage parlor license	$50.00
7.32.050	License fee for massage parlor per year	$1,120.00
7.36.040	License fee for pawnbroker per year	$50.00
7.40.040	Nonrefundable application fee for peddlers and hawkers license	$50.00
7.40.070	Fee for peddlers and hawkers	
	20 days or less (per day)	$50.00
	20 days or more	$340.00
7.42.010	Annual fee for a sidewalk café permit	$340.00
7.44.020	Licensing fee for solicitor (amount per person regardless of number of people in a group)	$50.00
7.48.350	Fee for replacement of lost taxicab license card or badge	$50.00
7.48.440	Fee for each taxicab registered shall be	
	New license	~~$300.00~~ $100
	Renewal	~~$150.00~~ $50
7.48.500	Nonrefundable application fee for a taxicab driver's license	$50.00
7.48.530	Registration fee for taxicab driver's license	$60.00
7.48.610	Transportation network service fee	$0.25
7.52.040	Towing license fee	
	Nonrefundable filing fee	$50.00
	License	$50.00
	Renewal	$50.00
7.56.020	Annual fee for permit to provide valet parking service	$50.00
7.56.030	Nonrefundable filing fee for permit to provide valet parking service	$110.00
8.04.010	Backyard chicken coop permit	$100.00
10.16.160	Annual fee for trash collection from dwelling units within the City	$205.00
10.16.200	Annual fee for each private trash collector permit	
	Refuse hauler permit (1—5 vehicles)	$210.00
	Re-inspection fee	$50.00
	Refuse hauler permit (6—10 vehicles)	$260.00

	Re-inspection fee	$50.00
	(Refuse hauler permit (11 or more vehicles)	$310.00
	Re-inspection fee	$50.00
10.18.055	Commercial Recycling	
	Cost per container	$15.00
	Cost of collection, 1st container	$104.00
	Cost of collection, per each additional	$50.00
	Administrative cost	$50.00
10.28.090	Swimming pool fees	
	Fee for obtaining a public swimming pool operation permit	$55.00
	Fee for obtaining a public swimming pool operator's license	$50.00
	No fee shall be charged for a public swimming pool lifeguard's license	
12.20.110	Nonrefundable annual permit fee. Fee may be waived for any City resident submitting proof of age above sixty years	$35.00
12.20.230	Special parking permit for transport and contractors, daily fee per space	$35.00
12.24.020	Hourly rate per parking meter	$2.00
12.32.110	Fee for a residential parking permit in special residential parking districts	
	At an address with no off-street parking:	
	Per annum for one vehicle	$55.00
	Per annum for a second vehicle	$75.00
	Per annum for each vehicle thereafter	$100.00
	At an address with off-street parking	
	Per annum for one vehicle	$75.00
	Per annum for each vehicle thereafter	$100.00
	Districts No. 3 and 4, per annum	$55.00
	District No. 5	$55.00
12.32.140A	Multiple-day or single-day temporary residential parking permit (for 10 permits)	$35.00
12.32.140B	Multiple-day or single-day temporary residential parking permit for medical personnel	$10.00
12.54.010	Nonstandard Vehicle Permit	
	New	$110.00

	Renewal	$55.00
12.54.020	Nonrefundable application fee for Nonstandard Vehicle Operator Permit	$35.00
12.54.020	Nonstandard Vehicle Operator Permit, per year	$35.00
14.04.020	Permit for installation of any sidewalk or any new section of sidewalk	$50.00
14.04.080	Inspection of installed sidewalk	$50.00
14.08.040	Fee for a permit for each driveway to be constructed or for each lowering or raising a curb	$35.00
14.12.095	Permit for tree removal	
	Application fee	$50.00
	Permit fee	$100.00
14.18.060	Special Event permit fee	$100.00
14.20.010	Permit to obstruct public streets, lanes, alleys, sidewalks or footways	
	Nonrefundable permit fee	$50.00
	Obstruction permit reinspection fee	$50.00
	For each extension or change to the original permit	$50.00
14.20.030	Fee for permit to dig up, relay or obstruct street	
	Streets and/or sidewalk openings:	
	50 square feet or less	$60.00
	Reinspection fee	$50.00
	51 to 200 square feet	$75.00
	Reinspection fee	$50.00
	Each additional 250 square feet	$20.00
	Tunneling-cutting, digging or excavating for the emplacement of utilities under the street, sidewalk or ground:	
	50 linear feet or less	$25.00
	51 to 200 linear feet	$45.00
	Each additional 25 linear feet	$10.00
14.28.020	Nonrefundable fee to file petition to have City acquire a private street	$560.00
15.10.020	Fees—Vessels up to 17 LOA at all public City Facilities except (1) City Dock slips and bulkheads, (2) Street-end Parks and, (3) City Public Moorings Dinghies to 17 feet. Must demonstrably be in use as tender to larger vessel to obtain permission to dock	no charge

15.10.020	Fees—No Prorating (checkout 12 noon or upon departure, whichever comes first). 3 hour minimum after 5:00 p.m.	
	Docking Fee	
	Hourly	
	Up to 3 hours, up to ~~40~~ 60 feet LOA, includes ~~showers and~~ electricity, per hour	~~$8.00~~ $10.00
	~~Up to 3 hours, over 40 feet LOA, up to 60 feet LOA, includes showers and electricity, per hour~~	~~$10.00~~
	Up to 3 hours, 60 or greater feet LOA, includes ~~showers and~~ electricity, per hour	$15.00
	Over 3 hours, includes showers and electricity ~~or after 5:00 p.m.~~	Daily fee ~~or balance thereof~~
	Daily (over 3 hours or after 5:00 p.m.) Includes showers, per foot LOA, minimum $40.00	$2.25
	Reserved Dockage- (west side only) per foot per day	$3.25
	Paid in advance	
	Docking fees: holiday premium adjustments	
	A holiday surcharge of fifty cents ($0.50) per foot will be added to all transient docking rates during each of the following time frames:	
	1. Naval Academy graduation and Memorial Day holiday weekend; a total premium period of 11 days, adjusted annually to begin each year the Friday before graduation and reverting to regular fees the Tuesday after the Memorial Day holiday	
	2. Independence Day holiday; a total premium period of 11 days, adjusted annually to begin each year to bracket Independence Day from Friday the weekend before July 4th and reverting to regular fees on Tuesday 11 days later and after the holiday	
	3. Labor Day holiday; a total premium period of six days, adjusted annually to begin each year the Wednesday before Labor Day and reverting to regular fees the Tuesday after the Labor Day holiday	
	Docking Fees: weekend premium adjustments. A weekend surcharge of fifty cents ($0.50) per foot will be added to all transient docking rates during Fridays and Saturdays beginning each year the Friday following Memorial Day and ending after the first Saturday in October. The weekend surcharge will not be added to docking rates on days when the holiday surcharge applies	
	Dock Utilities	
	Transient:	
	Each 20 Amp Outlet (per day)	$5.00

	Each 30 Amp Outlet (per day)	$8.00
	Each 50 Amp Outlet (per day)	$15.00
	Winter Weekly:	
	Each 20 Amp Outlet (per Week)	$20.00
	Each 30 Amp Outlet (per Week)	$30.00
	Each 50 Amp Outlet (per Week)	$56.00
	Moorings in Main Mooring Field - Moorings numbered 1—40 (inclusive) Public Mooring Fee (includes showers)	
	~~Hourly~~	~~$35.00~~
	Daily	$35.00
	Weekly	$210.00
	Moorings in St. Mary's Cove - Moorings numbered 41—60 (inclusive) Public Mooring Fee (includes showers)	
	~~Hourly~~	~~$25.00~~
	Daily	$25.00
	Weekly	$150.00
	Public Mooring Fee - All Others - Moorings numbered 61—76 (inclusive) (includes showers)	
	~~Hourly~~	~~$30.00~~
	Daily	$30.00
	Weekly	$180.00
	Winter Weekly Docking Fees (A Week is defined as Monday through Sunday)	
	Winter Waiting List Application Fee (will be credited to winter docking rent upon first arrival or after November 1st.	$50.00
	Winter Docking Fees (Arrival and departure weeks will be prorated. Other weeks may be prorated at Harbormaster's Option)	
	Storage per week, per foot LOD	$2.00
	Fees—Vessels up to 17 LOA, must be less than or equal to 90 HP Ego Alley Dinghy Dock only.~~at all public City Facilities except (1) City Dock slips and bulkheads, (2) Street-end Parks and, (3) City Public Moorings Dinghies to 17 feet.~~ Must demonstrably be in use as tender to larger vessel to obtain permission to dock (no more than 48 hours consecutive docking)	No charge
	~~Transient (no more than 48 hours consecutive docking)~~	~~no charge~~
	~~At City Dinghy Dock (Kunta Kinte Park) and all public street endings~~	~~no charge~~

	~~and park docks per day~~	
	~~At any City public mooring, see Summer and Winter Public Mooring Fees, above~~	
	~~Storage (more than 48 hours consecutive docking)~~	
	Dinghies up to 12 feet at all public street endings, bulkheads, and park docks per foot per year in advance for sticker (included in private mooring fee)	no charge
	Fees—Commercial Operations—Year Round	
	Passenger Carrying—Charter Dock Space may be reserved in advance, moorings shall not be used:	
	Leased operations	Per lease
	Occasional charter, subject to terms of Charter Policy, per foot LOD per 90-Minute round-trip at charter dock or other space assigned by Harbormaster	$2.50
	After 90 minutes, per foot per hour	$0.25
	Commercial Fishing, Crabbing, or Oystering—no reserved slips	
	Docking permitted during December 1-March 30 for Workboat or Buyboat actively engaged with certificate, current receipts, and current ~~DNR~~ TFL number. Vessels may not be leased or chartered. ~~per week, moorings shall not be used~~	$20.00 per week
	~~Buyboat actively engaged with certificate, current receipts, and current DNR number, per week, moorings shall not be used~~	~~$30.00~~
	Fees—Private Moorings—May not be prorated:	
	Waiting List Application	$50.00
	Private mooring application fee	$50.00
	Private mooring permit fee, resident, per year	$1,000.00
	Private mooring permit fee, non-resident, per year	$1,800.00
	Private mooring permit fee, commercial per year	$1,920.00
	~~Street end dinghy permit (available only on medical hardship), annual~~	~~$50.00~~
	Fees—Miscellaneous Services:	
	~~FAX incoming, first page~~	~~$2.00~~
	~~FAX incoming, after first page~~	~~$1.00~~
	~~FAX Outgoing, first page~~	~~$3.00~~
	~~FAX Outgoing, after first page~~	~~$2.00~~
	~~FAX international surcharge in addition to above fees~~	~~$5.00~~

	Copies per page	$0.25
	Showers for anchored boaters per person (Not provided for non-boaters)	$1.00
	Holding Tank Pumpouts, up to first 50 gallons	$5.00
	Holding Tank Pumpouts, after 50 gallons, per gallon	$0.10
	Doubled Fees for vessels found in violation of Title 15 of the City Code, other delinquency fees	
	In addition to prescribed fines, and applicable towing/storage fees, any accrued fees named herein shall be doubled for any vessel found in violation of any provision of Title 15	accrued fees doubled
	Late payment of winter storage fees (after ~~Thursday of each week~~ 7th day of each month)	~~$15.00~~ $50.00
	Late payment of private mooring fees (after ~~April~~ February 15th)	$150.00
	Note: Exceptions to fees named herein may only be granted per City Code 15.10.020 and 6.04.210	
	Truxtun Boat Launch	
	Per launch	~~$8.00~~ $10.00
	Annual pass, valid May 1st through April 30th each year ~~(to conform all annual permits with Section 15.20.110)~~	$75.00
	Tucker St. Annual Boat Trailer Permit, Valid May 1st through April 30th each year ~~(to conform all annual permits with Section 15.20.110)~~	$25.00
15.16.040	Port Wardens hearing application fee	$200.00
15.16.050	G. The fee for filing an appeal to port wardens decision shall be as follows:	
	1 For appeals concerning working boat yards and private piers with four or fewer slips	$500.00
	2 For appeals for other facilities, including marinas, yacht clubs, commercial piers or private piers with five or more slips	$750.00
15.20.070	Building permit for marina, yacht club, community pier, or private pier with 5 or more slips	
	See Section 17.12.056 Building permit—Fees—Reinspection	
15.20.110	Mooring permit see 15.10.020	
15.20.130	Grading permit	
	See Section 17.08.080 Grading permit—Fees—Reinspection	
15.20.180	Use Permit	
	See Section 17.12.026 Use permit fee schedule	

16.04.010	Permit and inspection fee for tapping existing mains	
	50 square feet or less	$30.00
	51 to 200 square feet	$50.00
	Each additional 250 square foot unit or portion	$20.00
16.04.020	Tapping machine rental	
	Rental cost per inch but no charge for sprinkler main tapping	$110.00
	Conditional upon adoption of O-14-13	
16.04.060	For job values over $25,000.00, the Utility Contractor inspection fee is 4.5 percent of estimated construction cost	
	For job values of $25,000.00 or less, the utility contractor inspection fee is greater of ½ of one percent of contract	
16.04.070	Chlorine or bacteria testing charge per test	$110.00
16.16.160	Discharge permit for discharging or proposing to discharge into a public sewer	
	Annual application fee for waste haulers that collect within the City	$25.00
	Wastewater discharge permits	
	Non-residential users	
	1 year permit—application fee	$110.00
	3 year permit—application fee	$100.00 in addition to fees below
	5 year permit—application fee	$560.00
	Late fee (for the first month late)	$25.00
	Significant users—Five-year permit	
	Application fee per connection to City sanitary sewer	$900.00
	Automotive permit—non-residential users	
	Class 1	
	Permit fee	$100.00
	Expiration	3 years
	Annual fee	$385.00
	Class 2	
	Permit fee	$100.00
	Expiration	3 years
	Annual fee	$220.00

	Class 3	
	Permit fee	$100.00
	Expiration	3 years
	Annual fee	$385.00
	Class 4	
	Permit fee	$100.00
	Expiration	3 years
	Annual fee	$220.00
	Class 5	
	Permit fee	$100.00
	Expiration	3 years
	Annual fee	$220.00
	Food handling permit	
	Class 1	
	Permit fee	$100.00
	Expiration	3 years
	Annual fee	$360.00
	Class 2	
	Permit fee	$100.00
	Expiration	3 years
	Annual fee	$260.00
	Class 3	
	Permit fee	$100.00
	Expiration	3 years
	Annual fee	$220.00
	Funeral home permit	
	Permit fee	$100.00
	Expiration	3 years
	Annual fee	$305.00
	Furniture stripping	
	Permit fee	$100.00
	Expiration	3 years
	Annual fee	$305.00

	Laundry Permit	
	Class 1	
	Permit fee	$100.00
	Expiration	3 years
	Annual fee	$330.00
	Class 2	
	Permit fee	$100.00
	Expiration	3 years
	Annual fee	$220.00
	Marina Permit	
	Permit fee	$100.00
	Expiration	3 years
	Annual fee is total of laboratory costs for each category already established	
	Medical Permit	
	Permit fee	$100.00
	Expiration	3 years
	Annual fee	$220.00
	Pest Control Permit	
	Permit fee	$100.00
	Expiration	3 years
	Annual fee	$220.00
	Photo Processing Permit	
	Class 1	
	Permit fee	$100.00
	Expiration	3 years
	Annual fee	$220.00
	Class 2	
	Permit fee	$100.00
	Expiration	3 year
	Annual fee	$270.00
17.08.080	Grading permit	
	Nonrefundable application fee for grading permit based on	

	estimated cost	
	$0 to $500	$110.00
	$501 to $2,000	$160.00
	$2,001 to $50,000	$265.00
	$50,001 to $100,000	$370.00
	$100,000 to $200,000	$475.00
	$200,000 and over	$580.00
	Grading permit based on estimated cost of site work	
	$0 to $500	$110.00
	$501 to $2,000	$160.00
	$2,001.00 and over at three percent of estimated cost of site work plus	$265.00
	Reinspection Fee	$110.00
17.09.070	Fee-in-lieu of planting	$1,250.00
17.10.180.B.	Watershed restoration	
	$15.00 per unit per quarter for residential properties	
	$60.00 per quarter for all commercial, industrial and exempt properties with impervious coverage of up to 5,000 square feet	
	$120.00 per quarter for all commercial, industrial and exempt properties with impervious coverage between 5,001 and 10,000 square feet	
	$195.00 per quarter for all commercial, industrial and exempt properties with impervious coverage above 10,000 square feet	
17.11.080	Nonrefundable fee for appeal to building board of appeals on boundary dispute	$250.00
17.12.024[026]	Nonrefundable inspection fee for the use and occupancy permit per each residential unit	
	Each residential unit	$250.00
	Commercial	
	900 square feet or less	$0.325 per sq. ft.
	901 to 1,800 square feet	$300.00
	1,801 to 2,700 square feet	$325.00
	2,701 to 3,600 square feet	$350.00
	3,601 to 5,000 square feet	$375.00
	5,001 to 10,000 square feet	$400.00

	10,001 to 25,000 square feet	$0.05 per sq. ft.
	25,001 square feet or greater	$0.04 per sq. ft.
17.12.052	Fee to submit new or revised construction drawings and submittals for review (based on cost of construction)	
	$0 to $10,000	$100.00
	$10,001 to $15,000	$150.00
	$15,001 to $25,000	$200.00
	$25,001 to $100,000	$350.00
	$100,001 and over is 0.1% of the total cost over $100,000.00 plus	$350.00
	At option of Director, fee to submit revised construction drawings and submittals for outside review is $100.00 plus an hourly fee of (Amounts are chargeable in quarter hour increments.)	$150.00
17.12.056	Building permit fee based on estimated value of the work	
	Nonrefundable application fee:	
	$500.00 to $25,000	$100.00
	$25,001 to $50,000	$150.00
	$50,001 to $75,000	$200.00
	$75,001 and over is 0.25% of cost	
	Permit Fees (to be paid at time of permit pick-up)	
	$500 to $3,000	$100.00
	$3,001 to $5,000	$125.00
	$5,001 to $10,000	$150.00
	$10,001 and over is 0.8 percent of cost over $10,000	$200.00
	Nonrefundable application fee shall be charged for moving or demolishing a building, regardless of the value or size of the building and for moving, hauling or transporting an oversize load	
	Residential properties	$100.00
	Commercial properties	$150.00
	Reinspection Fee	$100.00—$250.00
17.12.130	Nonrefundable fee to appeal to the building board of appeals	$250.00
17.16.040	Electrical permit and inspection fees	
	A. For new dwelling units only, the following flat rate fee will apply according to the size of the service equipment:	
	-200 ampere service or less	$150.00

	-For service equipment of more than 200 amperes: $8.00 for each 100 amperes, or fraction of 100 amperes, in excess of 200 amperes plus	$150.00
	For new apartment dwelling units 80% of the fee for dwelling units	
	For new, nonresidential construction, the following flat rate fee will apply according to the size of the service equipment:	
	-200 ampere service equipment or less	$175.00
	-More than 200 but no more than 300 ampere service equipment	$225.00
	-More than 300 but not more than 400 ampere service equipment	$250.00
	-For service equipment of more than 400 amperes and not more than 1,200 amperes	$250.00
	Plus this amount for each ampere in excess of 400 amperes	$0.75
	-For service equipment of more than 1,200 amperes	$1,250.00
	Plus this amount for each ampere in excess of 1,200	$2.50
	B. Additions, alterations or repairs to existing structures or services:	
	Rough Wiring. All switches, lighting and receptacles to be counted as outlets:	
	- 1 to 10 outlets	$25.00
	- 11 to 40 outlets	$50.00
	- 41 to 75 outlets	$75.00
	- For each additional 25 outlets or fraction thereof	$10.00
	Fixtures. For rough wiring of fixtures:	
	- 1 to 10 fixtures	$25.00
	- 11 to 40 fixtures	$50.00
	- 41 to 75 fixtures	$75.00
	- For additional 25 fixtures or fraction thereof	$10.00
	Heating, cooking equipment and similar appliances except that for dwellings these items are included in items A and B:	
	- First unit or outlet	$30.00
	- Each additional unit or outlet	$5.00
	For single inspections not involving a service size change, the charges in items A and B of this subsection	
	For electric motors, transformers, central heating and air conditioning units, electrical furnaces and welders:	
	Electrical generators (permanently installed)	

	- 1 kilowatts to 8 kilowatts	$75.00
	- Each additional 10 kilowatts or each fraction of 10 kilowatts	$30.00
	Solar photovoltaic systems (PV)	$10.00 per module
	Service Equipment and Feeders:	
	- Not over 400 ampere	$75.00
	- Over 400 ampere	$75.00
	Swimming Pools:	
	- Inground-Bonding	$100.00
	- Inground, lighting, fixtures, pumps and filters	$50.00
	- Above ground	$45.00
	Protective Signaling Systems:	
	- First 10 devices	$80.00
	- Each additional multiple of ten devices or part thereof	$10.00
	Modular home or prefabricated structures must bear a sticker of approval from the U.S. federal government, the state, a national testing facility, or other recognized inspection bureau. When this sticker is in evidence, a flat rate of:	$80.00
	Transformers, vaults-Outdoor enclosures, outdoor substations:	
	- Not over 200 KVA	$80.00
	- Over 200 to 500 KVA	$125.00
	- Over 500 KVA	$130.00
	Note: Above applied to each bank of transformers	
	Temporary Installations and Decorative Displays. Temporary installations for carnivals, Christmas decorations, halls, churches, etc., where inspection is on a one-time basis	$80.00
	Special services (such as annual inspections, hospital operating floors, motion picture equipment, mobile homes, etc.) and/or conditions not provided for in the schedule shall be charged for on the basis of time required. Minimum fee:	$80.00
	If the total permit fee above exceeds the comparable fee for a new building in Schedule A, the electrician may apply the lesser fee	
	C. The following permit fees shall apply to all other work and conditions in addition to subsections A and B:	
	- Electrically operated signs	$75.00
	- Radio and television receiving installation	$50.00

	- Reinspection Fee	$100.00 - $250.00
	- Failure to Notify	$50.00
	- Investigation Fee	$75.00
17.16.106	Fee for preventative maintenance electrical permit	$125.00
17.16.130	Fee for biannual electrical contractors license	$200.00
17.18.070	Fees for mechanical work permits based on estimated value of work:	
	Permit Fee:	
	$0 to $7,000	$125.00
	$7,001 to $10,000	$150.00
	Over $10,000 is 0.6% of estimated value plus	$100.00
	Reinspection Fee	$100.00— $250.00
	Failure to notify the department within the prescribed time that the work authorized by a validly issued mechanical permit is complete	$50.00
	Investigation Fee	$75.00
17.20.070	Fee for permit to install or erect an item or engaging in any activity for which a permit is required under Chapter 17.20, <u>except Fireworks Display Permit</u>	
	$0 to $2,000	$50.00
	$2,001 to $5,000	$75.00
	$5,001 to $7,000	$100.00
	$7,001 to $10,000	$150.00
	Over $10,000 is .006 times total cost plus	$80.00
	<u>Fireworks Display Permit</u>	<u>$280.00</u>
17.20.100	Fees for plan review and fire inspection	
	Plan Review Fees	
	- Fire Inspector per hour	$50.00
	- Fire Protection Engineer per hour	$125.00
	Fire Inspection Fees	
	Assembly Occupancies	
	Class A (more than 1,000)	$125.00
	Class B (301 to 1,000)	$100.00
	Class C (50 to 300)	$75.00

	Educational Occupancies	
	Elementary School	$100.00
	Middle or Junior High School	$150.00
	Senior High School	$150.00
	Family or Group Day-Care Home	$75.00
	Nursery or Day-Care Center	$100.00
	Health Care Occupancies	
	Ambulatory Health Care Centers per 3,000 square feet or portion thereof	$75.00
	Hospitals, Nursing Homes, Limited Care Facilities per building plus $2.00 per patient bed	$75.00
	Detention and Correctional Occupancies	
	Per building $1.00 per bed plus	$75.00
	Residential Occupancies	
	Hotels and Motels per building plus $1.00 per guest room	$50.00
	Dormitories $1.00 per bed, minimum per building	$50.00
	Apartments $1.00 per apartment, minimum per building	$50.00
	Lodging or Rooming House	$75.00
	Single- and Two-Family Dwellings	$50.00
	Board and Care	
	4—16 residents	$75.00
	Over 16 residents	$125.00
	Mercantile Occupancies	
	Class A (over 30,000 square feet)	$125.00
	Class B (over 3,000 square feet)	$75.00
	Class C (under 3,000 square feet)	$50.00
	Business Occupancies per 3,000 square feet or portion thereof	$50.00
	Industrial or Storage Occupancies (per 5,000 square feet or portion thereof)	
	Low or Ordinary Hazard	$50.00
	High Hazard	$75.00
	Common Areas of Multi-tenant Occupancies (i.e. shopping centers, high-rise buildings, etc.) per 10,000 square feet or portion thereof	$75.00
	Trailer Parks and Campgrounds $1.00 per site, minimum per facility	$50.00

	Outside Storage of Combustible Material	$50.00
	Outside Storage of Flammable or Combustible Liquids (drums or tanks)(scrap tires, tree stumps, lumber, etc.) per acre	$50.00
	Outside Storage of Flammable or Combustible Liquids (drums or tanks) per 5,000 square feet or portion thereof	$75.00
	Reinspection fee	$125.00
17.22.030	Fee for permit to perform any work on petroleum storage tank based on estimated value	
	$0 to $2,000	$100.00
	$2,001 to $5,000	$125.00
	$5,001 to $7,000	$200.00
	$7,001 to $10,000	$250.00
	Over $10,000 is 0.6% of estimated value plus	$200.00
17.24.070	Fee for license to do work as a master or restricted gasfitter or as a journeyman or restricted journeyman gasfitter	
	Master or restricted gasfitter license, per year	$75.00
	Master plumber and gasfitter license, per year	$75.00
	Journeyman or restricted journeyman gasfitter license, per year	$50.00
	Journeyman plumber and gasfitter license, per year	$50.00
17.24.080	Fee for gasfitter license renewal plus a delinquency penalty	$50.00
17.24.090	The charges for the issuance of a gas burner permit shall be the sum of the fixture charges plus the amount of the applicable gas service pipe charges set forth in this section	
	Gas service pipe charge, including inspection of the work by the City plumbing inspector, is based on the diameter (inches) as follows:	
	2½ or less	$50.00
	3	$60.00
	4	$70.00
	6	$125.00
	8	$250.00
	10	$350.00
	12	$500.00
	Each fixture in addition to the first fixture	$10.00
17.28.050	Annual fee for license for a master plumber and journeyman plumber	

	Master plumber (annual fee)	$80.00
	Journeyman plumber (annual fee)	$50.00
17.28.090	The charges for issuance of plumbing permits are the sum of a connection charge, a capital facility charge, a capital facility assessment charge and an installation charge	
	Connection Charges:	
	Sewer	
	City-installed 4-inch public sewer connection	$5,000.00
	Water, including cost of meter:	
	City-installed 1-inch public water connection	$3,600.00
	Capital facility charge:	
	Sewer (per Equivalent Dwelling Unit)	$1,600.00
	Water (per Equivalent Dwelling Unit)	$4,900.00
	*Note: An Equivalent Dwelling Unit is 250 gallons per day	
	Capital facility assessment charge per Code prior to adoption of Ordinance 0-37-11:	
	Sewer:	
	Per year, per residential unit, for 30 years (on construction after October 11, 1977)	$50.00
	Per year, per residential unit, for 30 years (on construction between July 1, 1991 and permits initiated before December 19, 2011	$75.00
	Water:	
	Per year, per residential unit for 30 years (on construction after October 11, 1977)	$50.00
	Per year, per residential unit, for 30 years (on construction between July 1, 1991 and permits initiated before December 19, 2011)	$75.00
	Installation Charges:	
	First fixture installation charge:	
	Residential	$60.00
	Commercial	$80.00
	Each fixture in excess of the first one (if connected to public sewer)	$15.00
	Each fixture, if connected to private sewer	$30.00
	Each fixture omitted from original permit (if connected to public sewer)	$20.00
	Each fixture omitted from original permit (if connected to private sewer)	$40.00

	Special fixture charge:	
	Each grease trap	$100.00
	Each oil interceptor	$100.00
	Each water conditioning unit (single installation)	$50.00
	Each gas hot water heater (single installation)	$40.00
	Inspection charge:	
	Water installation	$100.00
	Sewer installation	$100.00
	Reconstruct private sewer	$50.00
	Air-conditioning with water or drain connection	$60.00
	Reinspection Fee	$100.00—$300.00
	Additional gas connection for gas hot water heaters	$10.00
	(Master plumbers who currently are registered in the City and who also are registered master gasfitters in the City; otherwise, the gas connection for gas hot water heaters must be made by a registered master gasfitter at the regular rates)	
17.30.010	Annual, nonrefundable fee for utility contractor license	$100.00
17.30.050	Nonrefundable fee for utility permit	
	Reinspection Fee	$100.00—$300.00
	Failure to Notify the Department of Public Works (work authorized by a validly issued utility permit is complete)	$75.00
	Investigation Fee	$75.00
17.44.010	Short Term rental license	Base rental license fee plus $100.00
17.44.040	Fee for operating license for rental unit and roominghouse	$100.00
17.44.060	Initial or renewed two-year rental operating licenses for operator of multi-family dwellings consisting of fifty or more units that employs a full-time on-site maintenance staff of three or more employees if renewal filed within 30 days prior to expiration. Fee covers two-year license	$200.00
	Initial or renewed rental operating license for all other applicants if renewal is filed less than 30 days prior to expiration. Fee covers one-year license	$100.00
	Late fee	

	First 30 days late, per rental unit	$25.00
	Each additional 30 days late, per rental unit	$25.00
17.44.120	Reinspection fee for rental unit and roominghouse if revocation; revalidation, reinspection and reissuance procedure	$100.00
17.60.050	Permit fees for signs	
	Nonrefundable application fee for installation of signs	$30.00
	Fees for installation of signs:	
	$0—$299	$30.00
	$300—$500	$35.00
	$Over $500: for each additional $100.00 of cost	$2.25
	Billboard requiring a public hearing	$35.00
17.60.060	Application fee seeking permission to erect, maintain or suspend a temporary sign or banner	$30.00
20.12.020	Conditional approval of a preliminary plat of a subdivision	
	Nonrefundable application fee	
	5 lots or less (per lot)	$340.00
	6 lots or more (per lot)	$620.00
	Record plat amendment	$500.00
21	Zoning certificate	$35.00
21.10.050	Fees and deposits	
	Forest stand delineation submission fee for single residential lots less than five acres, including single family residential lots being subdivided where no additional buildable lots are being created. This fee applies to an original submission and again for each subsequent revised submission.	$250.00
	Forest stand delineation submission fee for all others. This fee applies to an original submission and for each subsequent revised submission. For the purposes of this fee schedule, "N" is defined as the number of submissions of a forest stand delineation by the same applicant for the same parcel. For example, for the first submission, N = 1, for the second submission, N = 2, and so on.	$850.00 plus N times $30.00 per acre or fraction thereof
	Preliminary forest conservation plan application fee for single residential lots less than five acres, including single family residential lots being subdivided where no additional buildable lots are being created. This fee applies to an original submission and again for each subsequent revised submission.	$250.00
	Preliminary forest conservation plan application fee for all others. This fee applies to an original submission and for each subsequent	$850.00 plus N times $30.00 per

	revised submission. For the purposes of this fee schedule, "N" is defined as the number of submissions of a preliminary forest conservation plan by the same applicant for the same parcel. For example, for the first submission, N = 1, for the second submission, N = 2, and so on.	acre or fraction thereof
	Final forest conservation plan application fee for single residential lots less than five acres, including single family residential lots being subdivided where no additional buildable lots are being created. This fee applies to an original submission and again for each subsequent revised submission.	$250.00
	Final forest conservation plan application fee for all others. This fee applies to an original submission and for each subsequent revised submission. For the purposes of this fee schedule, "N" is defined as the number of submissions of a final forest conservation plan by the same applicant for the same parcel. For example, for the first submission, N = 1, for the second submission, N = 2, and so on.	$850.00 plus N times $30.00 per acre or fraction thereof
	Forest mitigation bank application fee	$850.00 plus $30.00 per acre or fraction thereof
21.16.030	Administrative Interpretations	$420.00
21.18.020	Administrative Adjustments	$110.00
21.20.020	Zoning District Boundary Adjustment	$390.00
21.22	Site Design Plan Review (nonrefundable):	
	Preliminary, minor	$200.00
	Preliminary, major (per acre or portion thereof)	$280.00
	Final, minor	$1,000.00
	Final, major	$2,000.00
	-Plus an amount per acre or portion thereof	$280.00
	Critical area - Buffer management plan	$200.00
	Critical area - Simplified buffer management plan	$60.00
	Neighborhood conservation	$200.00
	Site Design Plan Review - Revisions	
	Minor	$500.00
	Major	$1,000.00
	-Plus an amount per acre or portion thereof	$280.00
21.24	Planned Unit Development - Preliminary Review	
	For buildings over 45 feet in height	$1,000.00

	For all others	$2,000.00
	-Plus an amount per acre or portion thereof	$280.00
	Planned Unit Development—Final review	
	For buildings over 45 feet in height	$1,120.00
	For all others	$11,200.00
	- Plus an amount per acre or portion thereof	$280.00
	Planned Unit Development - Revision	
	For buildings over 45 feet in height	$500.00
	For all others	$1,000.00
	-Plus an amount per acre or portion thereof	$280.00
21.26	Special Exceptions	
	Special exception with no site design	$1,000.00
	Special exception with site design	$1,000.00
	Plus applicable site design plan review fees	
21.28	Variances	
	- Single-family dwelling	$225.00
	- All Other Variances	$390.00
21.30.020	Appeal from an administrative decision to the Board of Appeals	$250.00
21.34.020	Zoning Map Amendment	$1,000.00
21.56.040	Application fee (based on cost of work) for a certificate of approval from the historic preservation commission	
	Certificate of Approval - Public Hearing Application (based on 1% of estimated cost)	Min. $35.00—Max. $1,000.00
	Certificate of Approval - Administrative Application (based on 1% of estimated cost)	Min. $35.00—Max. $500.00
	Certificate of Approval - "After the Fact" Public Hearing Application (based on 1% of estimated cost)	Min. $50.00—Max. $2,000.00
21.56.270	Newsrack certificate of approval/reinspection (per newsrack)	$35.00
21.68.050	Determination of non-conforming uses	$420.00
21.71.030.C.7	Declaration of intent noncompliance fee	$10.00 per square foot
21.71.110	Payment instead of afforestation and reforestation inside a priority funding area	$10.00 per square foot
	Payment instead of afforestation and reforestation outside of a	$12.00 per

	priority funding area	square foot
22.20.040	Fee in lieu of public recreational space per each single-family detached dwelling unit	$500.00
	Fee in lieu of public recreational space per each single-family attached dwelling unit	$400.00
	Fee in lieu of public recreational space per each multifamily dwelling unit, two-family dwelling unit, or dwelling unit above the ground floor of nonresidential uses	$250.00

Per Article 6, Sec. 2B, paragraph (e)(7) of the City Charter: "The City Manager shall have the following additional powers and duties: to adjust parking rates in City-owned parking garages and parking lots to the extent permitted, pursuant to 12.04.040 A.6. of the Code of the City of Annapolis. The City Manager may appoint a designee to determine any such adjustments to parking rates in City-owned parking garages and parking lots."

PARKING GARAGE RATES AND FEES

	Fee
HILLMAN GARAGE	
Daily Rates:	
First two hours for residents	no charge
Hourly rate	$3.00
Maximum daily charge	$20.00
Monthly Rates:	
Restricted "Weekday" Pass (Monday to Friday, 7 a.m. to 7 p.m.)	$190.00
Unrestricted monthly pass	$225.00
Special Rates:	
8:00 p.m. to 6:00 a.m. (flat rate)	$4.00
Sunday morning 6 a.m. to 1 p.m.	Free/no pass
Park and Shop Coupons:	
8:00 a.m. to 6:00 p.m. (4 coupons maximum)	1 coupon = 1 hour discount
6:00 p.m. to 8:00 a.m. (2 coupons maximum)	1 coupon = 1 hour discount
Park and shop coupon fee for businesses located in the City of Annapolis	$0.50/coupon
Bed and Breakfast Coupon	50% discount
Special Event Parking	$20.00
GOTTS GARAGE	
Daily Rates:	
First two hours for residents	no charge

Hourly rate	$2.50
Maximum daily charge	$12.00
Monthly Rates:	
Restricted "Weekday" Pass (Monday to Friday, 7:00 a.m. to 7:00 p.m.)	$160.00
Unrestricted monthly pass	$190.00
Special rates:	
8:00 p.m. to 6:00 a.m. (flat rate)	$3.00
Sunday morning 6:00 a.m. to 1:00 p.m.	Free/no pass
Visitors' Center	one hour free w/coupon
Park and Shop Coupons:	
8:00 a.m. to 6:00 p.m. (4 coupons maximum)	1 coupon = 1 hour discount
6:00 p.m. to 8:00 a.m. (2 coupons maximum)	1 coupon = 1 hour discount
Park and shop coupon fee for businesses located in the City of Annapolis	$0.50/coupon
Bed and Breakfast Coupon	50% discount
Special Event Parking	$10.00
KNIGHTON GARAGE	
Daily Rates:	
First two hours for residents	no charge
Hourly rate	$2.00
Maximum daily charge	$5.00
Monthly Rates:	
Restricted "Weekday" Pass (Monday to Friday, 7 a.m. to 7 p.m.)	$100.00
Unrestricted monthly pass	$125.00
Special Rates:	
Overnight from 8:00 p.m. to 6:00 a.m.	$2.00
Park and Shop Coupons:	
8:00 a.m. to 6:00 p.m. (4 coupons maximum)	1 coupon = 1 hour discount
6:00 p.m. to 8:00 a.m. (2 coupons maximum)	1 coupon = 1 hour discount
Park and shop coupon fee for businesses located in the City of Annapolis	$0.50/coupon
Bed and Breakfast Coupon	50% discount
Special Event Parking	$10.00
PARK PLACE GARAGE	
Daily Rates:	

First two hours for residents	no charge
Hourly rate	$2.25
Maximum daily charge	$5.00
Monthly Rates:	
Restricted "Weekday" Pass (Monday to Friday, 7:00 a.m. to 7:00 p.m.)	$125.00
Unrestricted monthly pass	$150.00
Monthly reserved space pass	$175.00
Monthly Evening (3:00 p.m. to 1:00 a.m.)	$80.00
Monthly Evening (Weekends only, 3:00 p.m. to 1:00 a.m.)	$40.00
Special Rates:	
8:00 p.m. to 6:00 a.m. (flat rate)	$3.00
Sunday morning 6 a.m. to 1 p.m.	Free/no pass
Park and Shop Coupons:	
8:00 a.m. to 6:00 p.m. (4 coupons maximum)	1 coupon = 1 hour discount
6:00 p.m. to 8:00 a.m. (2 coupons maximum)	1 coupon = 1 hour discount
Park and shop coupon fee for businesses located in the City of Annapolis	$0.50/coupon
Bed and Breakfast Coupon	50% discount
Special Event Parking	$10.00
LARKIN	
Monthly Rates:	
Monthly unrestricted pass	$170.00
Overnight parking 6:00 p.m.—6:00 a.m. (Mon—Thur)	As posted
Weekend parking Friday, 6:00 p.m. to Monday, 6:00 a.m.	As posted
SOUTH STREET	
Daily Rate:	
Hourly	$2.50
Monthly Rate:	
Unrestricted Monthly Pass	$175.00

TRANSIT FARES

	Fee
Article VI, Section 9(b) of Charter of the City of Annapolis	
Base cash fare	$2.00

Senior/Disabled/Student	$1.00
Summer Youth Pass	$35.00
ADA Service Cash Fare	$4.00
Day Pass: For Multiple Trips	$4.00
Day Pass (Senior/Disabled/Student)	$2.00
Weekly Pass	$20.00
Monthly Pass	$80.00
Quarterly Pass	$200.00
Annual Pass	$500.00
Tokens in bulk per 100	$150.00
The circulator	None

RECREATION AND PARKS FEES

	City Resident	Nonresident
Stanton Center		
Gym Rental/per hour	$55.00	$63.00
Kitchen Rental/per hour	$30.00	$35.00
Meeting Room/per hour	$25.00	$30.00
Truxton Picnic Pavillion/All Day	$150.00	$180.00
Waterworks Permit:		
Monthly	$10.00	$15.00
Quarterly	$30.00	$45.00
Annual	$100.00	$125.00
Picnic Pavilion Rental/day	$100.00	$130.00
Downtown Recreation Center/per hour	$0.00	$0.00
Annapolis Walk	$30.00	$35.00
Field Rental (with lights and lines)	$80.00	$95.00
Tennis Courts	$15.00	$20.00
Basketball Courts	$15.00	$20.00
Snack Bar	$0.00	$0.00
Park Rental for Wedding	$500.00	$600.00

Latchkey Program
Before School Care $117.00 per month

After School Care $222.00 per month

Annapolis Recreation Center
Program Member

Annual membership fee to register or participate in any program. Valid for one year. Renewal is slated for January 1 each year.

	Res	**Non Res.**
Individual	$39.00	$45.00
Family	$65.00	$75.00
Corporate	$1,750.00	$2,013.00

Full Membership

Allows full access to facility (fitness centers, gym, play area, etc.)—Unlimited use and discounts on programs.

Year is 12 months from enrollment date.

	Annual		Daily/Drop In	
	Res.	Non Res.	Res.	Non Res.
Adult	$290.00	$331.00	$8.00	$10.00
Senior/Youth	$233.00	$267.00	$7.00	$8.00
Daily Youth			$6.00	$7.00
Family of 4*	$643.00	$738.00	n/a	n/a
Adult/Spouse	$513.00	$587.00	n/a	n/a
Add. Child*	$110.00	$127.00	n/a	n/a

	30-day Access Pass		**90-Day Access Pass**	
	Res.	**Non Res.**	**Res.**	**Non Res.**
Adult	$36.00	$41.00	$95.00	$115.00
Senior/Youth	$28.00	$33.00	$78.00	$91.00
Family of 4*	$80.00	$91.00	$225.00	$250.00
Adult/Spouse	$62.00	$71.00	$175.00	$205.00
Add. Child*	$14.00	$16.00	$40.00	$45.00

Children 2 and under free with paying adult.

Family memberships and Adult/Spouse memberships require all members to reside at the same address.

Youth member - Age 3—17; Senior member - Age 62 +

Annual Membership Rates are paid in full at time of membership.

Babysitting Services		
Hourly Rate	$3.00 first child	$2.00 additional children
10 hr Punch Card	$25.00 each	

;adv=6;Facility Rental Rates (per hour)

* Program related rentals require participants to hold Program Membership or Full Membership.

PER HOUR	Res	Non Res
Single Mtg Room	$37.00	$45.00
After Hours Meeting Room	$50.00	$50.00
Full Meeting Space	$110.00	$132.00
Kitchenette	$13.00	$16.00
Single Court	$60.00	$75.00
After Hours Meeting Room	$75.00	$75.00
Full Gymnasium*	$180.00	$225.00
Aux. Gym	$75.00	$90.00

* Limited availability

	City Resident	Non Resident	Program Member Res/Non Resident ($5.00 discount)	Full Member Res/Non Resident ($10.00 discount)
SUMMER PROGRAMS				
Summer Playground—6 wks	$152.00	$173.00	R $130.00/ NR $150.00	R $125.00/ NR $145.00
Summer Playground—Extended Hrs (8:00 a.m.—5:00 p.m.), 6 weeks	$193.00	$222.00		
Preschool Playground—6 wks (4 days a week)	$110.00	$127.00		
Day Camp (Truxtun & Kids Camp)—2 wk session	$230.00	$264.00	R $205.00/ NR $237.00	R $200.00/ NR $232.00
SWIMMING POOL				
Adult	$5.00	$5.00		
Child (12 and under) and Seniors (62 +)	$4.00	$4.00		
Family Pass (4, add members $15.00 each)	$160.00	$185.00		
Youth Individual Pass	$55.00	$65.00		
Adult Individual Pass	$65.00	$75.00		
Pool Party	$250.00 (per two hours)			

Summer Splash Camps	$139.00	$169.00		
Summer Splash Camp extended hours (additional)	$30.00	$40.00		

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Capital Funding and Debt Policy Impacts

City of Annapolis, Maryland

April 19, 2018

DAVENPORT & COMPANY
Member NYSE | FINRA | SIPC

Current Tax-Supported Debt Profile

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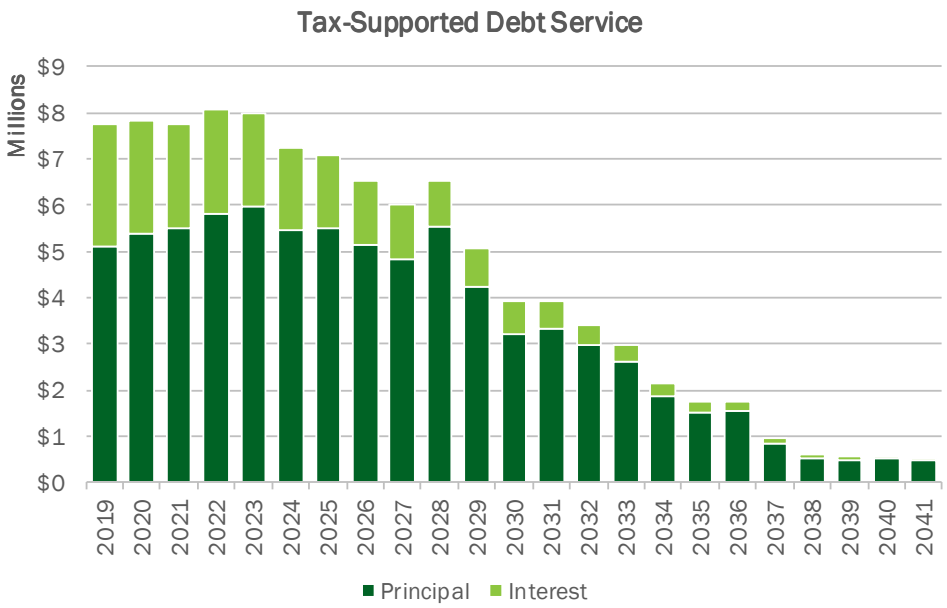
- The City does not experience meaningful decline in debt service until FY 2024; any new debt service over the next five or so years will require new funding.



Existing Tax Supported Debt Outstanding			
FY	Principal	Interest	Total
2019	$5,099,058	$2,656,482	$7,755,540
2020	5,361,963	2,465,910	7,827,873
2021	5,509,088	2,227,677	7,736,765
2022	5,794,362	2,254,642	8,049,005
2023	5,968,059	2,020,745	7,988,804
2024	5,447,238	1,791,149	7,238,386
2025	5,495,676	1,572,852	7,068,528
2026	5,157,630	1,373,242	6,530,872
2027	4,834,765	1,191,813	6,026,578
2028	5,534,607	1,000,050	6,534,657
2029	4,219,279	826,392	5,045,671
2030	3,204,782	699,621	3,904,403
2031	3,315,148	584,580	3,899,727
2032	2,951,071	472,946	3,424,017
2033	2,607,581	374,792	2,982,374
2034	1,846,117	295,712	2,141,828
2035	1,512,650	225,960	1,738,610
2036	1,566,225	166,207	1,732,432
2037	819,832	118,423	938,255
2038	530,297	89,078	619,374
2039	491,583	66,315	557,898
2040	513,912	43,648	557,560
2041	482,108	20,921	503,028
Total	$78,263,031	$22,539,155	$100,802,186

Debt Service starts to decline

Notes:
- *Tax-Supported Debt consists of debt attributable to the general fund, market fund, and dock fund; As of 6/30/18.*
- *Includes estimated interest and takeout of 2017 BAN.*

Source: City Finance Staff; Internal Files..

Tax-Supported Principal Payout Ratio

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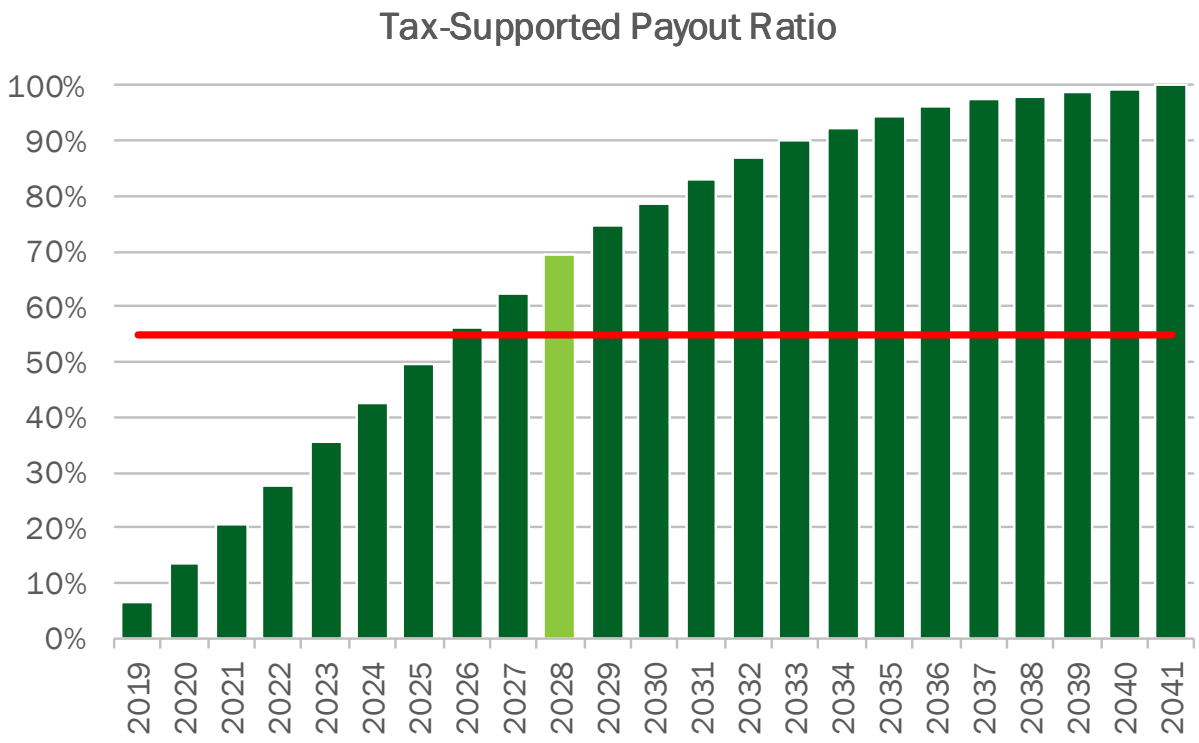
- The City's Fiscal Policies state that *"The City will maintain a ten-year payout ratio (i.e.; rate of principal amortization) for its tax-supported debt of not less than 55%."*

Principal Payout Ratio		
FY	Principal	Payout Ratio
2019	$5,099,058	6.52%
2020	5,361,963	13.37%
2021	5,509,088	20.41%
2022	5,794,362	27.81%
2023	5,968,059	35.44%
2024	5,447,238	42.40%
2025	5,495,676	49.42%
2026	5,157,630	56.01%
2027	4,834,765	62.18%
2028	5,534,607	69.26%
2029	4,219,279	74.65%
2030	3,204,782	78.74%
2031	3,315,148	82.98%
2032	2,951,071	86.75%
2033	2,607,581	90.08%
2034	1,846,117	92.44%
2035	1,512,650	94.37%
2036	1,566,225	96.37%
2037	819,832	97.42%
2038	530,297	98.10%
2039	491,583	98.73%
2040	513,912	99.38%
2041	482,108	100.00%
Total	$78,263,031	



General Fund Capital Improvement Program (CIP)

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Summary of Project Estimates							
Project Category	**FY 2019**	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**	**FY 2024**	**Totals**
General Fund							
Vehicle Replacement	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	6,000,000
City-Wide Radio Replacement	600,000	-	-	-	-	-	600,000
Main Street Rebricking	600,000	-	-	-	-	-	600,000
Standard Specifications and Construction Details	105,000	105,000	-	-	-	-	210,000
RMS/CAD System for Law Enforcement	250,000	150,000	150,000	150,000	150,000	-	850,000
Tucker Street Boat Ramp Improvement/Rebuild	281,850	-	-	-	-	-	281,850
Traffic Signal Rehabilitation	495,000	172,500	671,000	498,500	498,500	-	2,335,500
Trail Connections	71,305	-	-	-	-	-	71,305
General Roadways	2,500,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	12,500,000
City Harbor Flood Mitigation	6,500,000	-	-	1,000,000	4,000,000	-	11,500,000
Russell Street	-	670,000	-	-	-	-	670,000
Forest Drive Fire Station Renovations	15,750	405,300	-	-	-	-	421,050
National Fitness Campaign - Fitness Court	148,444	-	-	-	-	-	148,444
PMRC Cardiovascular & Weight Lifting Equipment	20,000	50,000	50,000	50,000	50,000	50,000	270,000
City Facility Improvements	350,000	350,000	350,000	350,000	350,000	350,000	2,100,000
Total Uses of Funding	**$ 12,937,349**	**$ 4,902,800**	**$ 4,221,000**	**$5,048,500**	**$8,048,500**	**$3,400,000**	**38,558,149**

Source of Funding	**FY 2019**	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**	**FY 2023**	**Totals**
General Fund							
Bonds	$ 1,954,600	$ -	$ -	$ -	$ -	$ -	$ 1,954,600
Pay-Go/ Other	10,982,749	-	-	-	-	-	10,982,749
To be determined	-	4,902,800	4,221,000	5,048,500	8,048,500	3,400,000	25,620,800
Total Sources of Funding	**$ 12,937,349**	**$ 4,902,800**	**$ 4,221,000**	**$ 5,048,500**	**$ 8,048,500**	**$ 3,400,000**	**38,558,149**

Source: 2019-2024 Fiscal Year Proposed Capital Improvement Program

Scenarios Considered

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- The following pages show the estimated impact on the City's Key Debt Policies of the following borrowing scenarios:

1. **FY 2019 G.O. Issuance and Full 5-Year CIP – "Traditional" City Issuance Strategy**
   - *FY2019 borrowing issued over 20 Years with level debt service structure at 4% all-in interest cost;*
   - *All future CIP borrowings after FY2019 are assumed to be debt funded in their entirety;*
   - *All future CIP borrowings after FY2019 are assumed to be issued at level debt service for 20 years at 5% all-in interest cost.*

2. **FY 2019 G.O. Issuance and Full 5-Year CIP – "Bond Anticipation Note (BAN)" Issuance Strategy**
   - *All future CIP borrowings (FY19-24) issued as 3-Year Bond Anticipation Notes at 3.0% all-in interest cost, followed by long-term borrowing issued with level debt service for 20 years at 5% all-in interest cost.*

Resulting Debt Profile – Scenario 1

FY 2019 Issuance and Full 5-Year CIP

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Assumed Borrowing Amounts	
FY Issued	Amount
2019	$1,954,600
2020	4,902,800
2021	4,221,000
2022	5,048,500
2023	8,048,500
2024	3,400,000
Total	$27,575,400

FY	Existing Debt Service	General Fund Bond-Funded CIP Debt Service						FY19-24 CIP Debt Service	Total Debt Service
		FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024		
Total	100,802,186	$2,876,458	$7,868,267	$6,774,079	8,102,094	$12,916,649	$5,456,496	$43,994,043	$144,796,229
2019	7,755,540	-	-	-	-	-	-	-	7,755,540
2020	7,827,873	143,823	-	-	-	-	-	143,823	7,971,696
2021	7,736,765	143,823	393,413	-	-	-	-	537,236	8,274,001
2022	8,049,005	143,823	393,413	338,704	-	-	-	875,940	8,924,945
2023	7,988,804	143,823	393,413	338,704	405,105	-	-	1,281,045	9,269,849
2024	7,238,386	143,823	393,413	338,704	405,105	645,832	-	1,926,877	9,165,264
2025	7,068,528	143,823	393,413	338,704	405,105	645,832	272,825	2,199,702	9,268,230
2026	6,530,872	143,823	393,413	338,704	405,105	645,832	272,825	2,199,702	8,730,575
2027	6,026,578	143,823	393,413	338,704	405,105	645,832	272,825	2,199,702	8,226,280
2028	6,534,657	143,823	393,413	338,704	405,105	645,832	272,825	2,199,702	8,734,359
2029	5,045,671	143,823	393,413	338,704	405,105	645,832	272,825	2,199,702	7,245,373
2030	3,904,403	143,823	393,413	338,704	405,105	645,832	272,825	2,199,702	6,104,105
2031	3,899,727	143,823	393,413	338,704	405,105	645,832	272,825	2,199,702	6,099,429
2032	3,424,017	143,823	393,413	338,704	405,105	645,832	272,825	2,199,702	5,623,719
2033	2,982,374	143,823	393,413	338,704	405,105	645,832	272,825	2,199,702	5,182,076
2034	2,141,828	143,823	393,413	338,704	405,105	645,832	272,825	2,199,702	4,341,531
2035	1,738,610	143,823	393,413	338,704	405,105	645,832	272,825	2,199,702	3,938,312
2036	1,732,432	143,823	393,413	338,704	405,105	645,832	272,825	2,199,702	3,932,134
2037	938,255	143,823	393,413	338,704	405,105	645,832	272,825	2,199,702	3,137,957
2038	619,374	143,823	393,413	338,704	405,105	645,832	272,825	2,199,702	2,819,077
2039	557,898	143,823	393,413	338,704	405,105	645,832	272,825	2,199,702	2,757,600
2040	557,560	-	393,413	338,704	405,105	645,832	272,825	2,055,879	2,613,439
2041	503,028	-	-	338,704	405,105	645,832	272,825	1,662,466	2,165,494
2042		-	-	-	405,105	645,832	272,825	1,323,762	1,323,762
2043	-	-	-	-	-	645,832	272,825	918,657	918,657
2044	-	-	-	-	-	-	272,825	272,825	272,825

Resulting Debt Profile – Scenario 1

FY 2019 Issuance and Full 5-Year CIP

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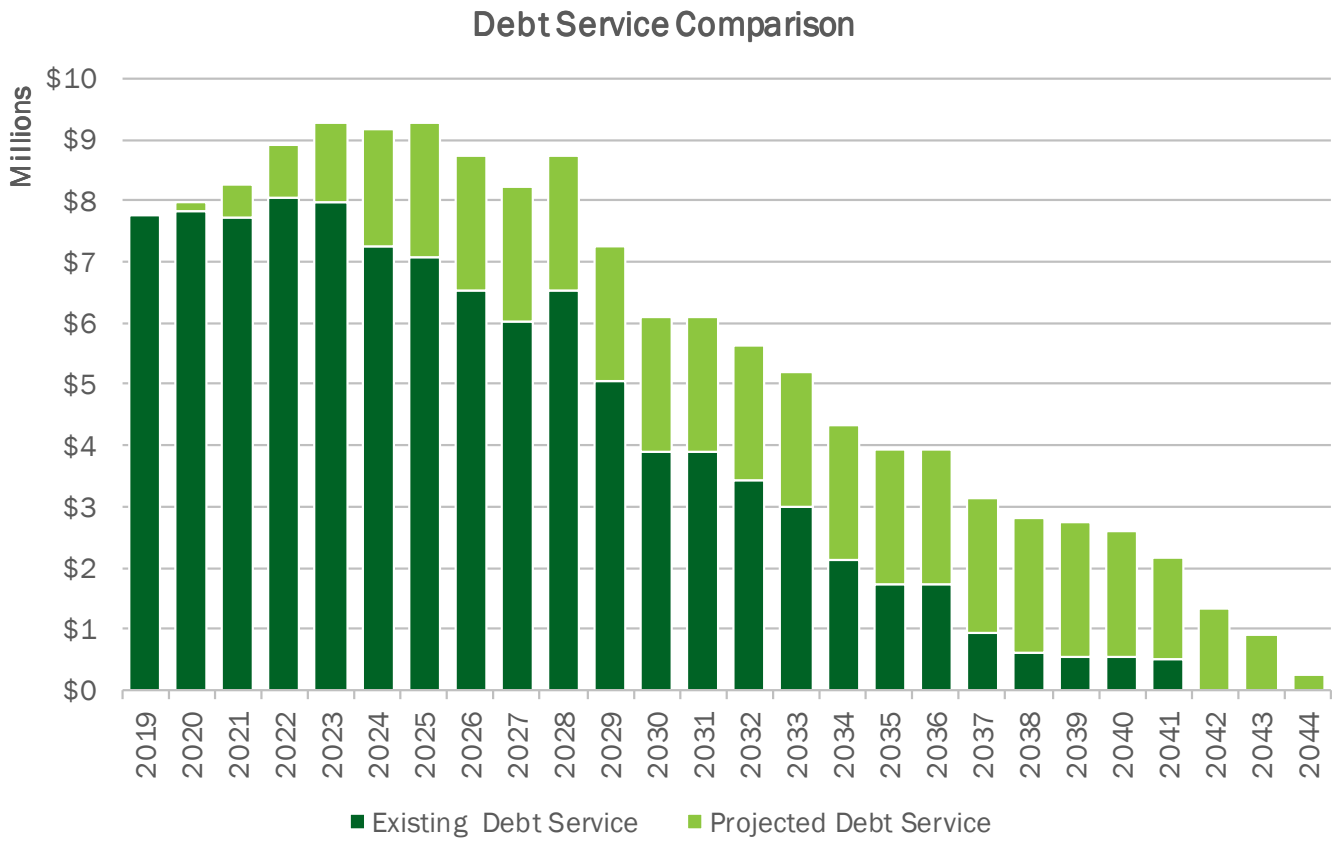

Notes:

— Tax-Supported Debt consists of debt attributable to the general fund, market fund, and dock fund; As of 6/30/18.

— Includes estimated interest and takeout of 2017 BAN.

Key Debt Ratios – Scenario 1

FY 2019 Issuance and Full 5-Year CIP

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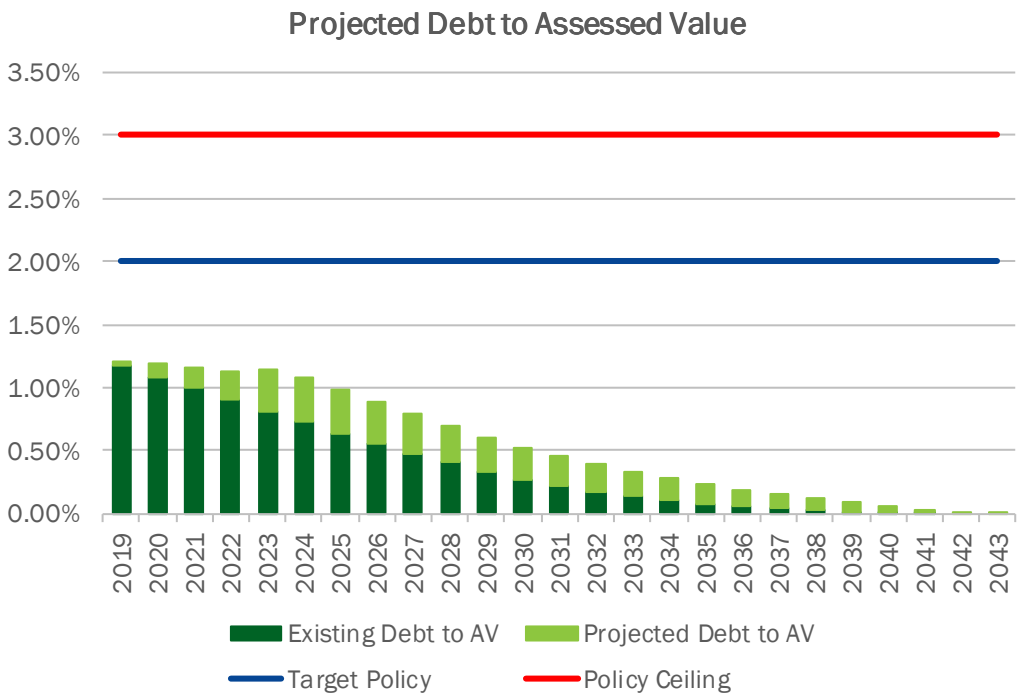
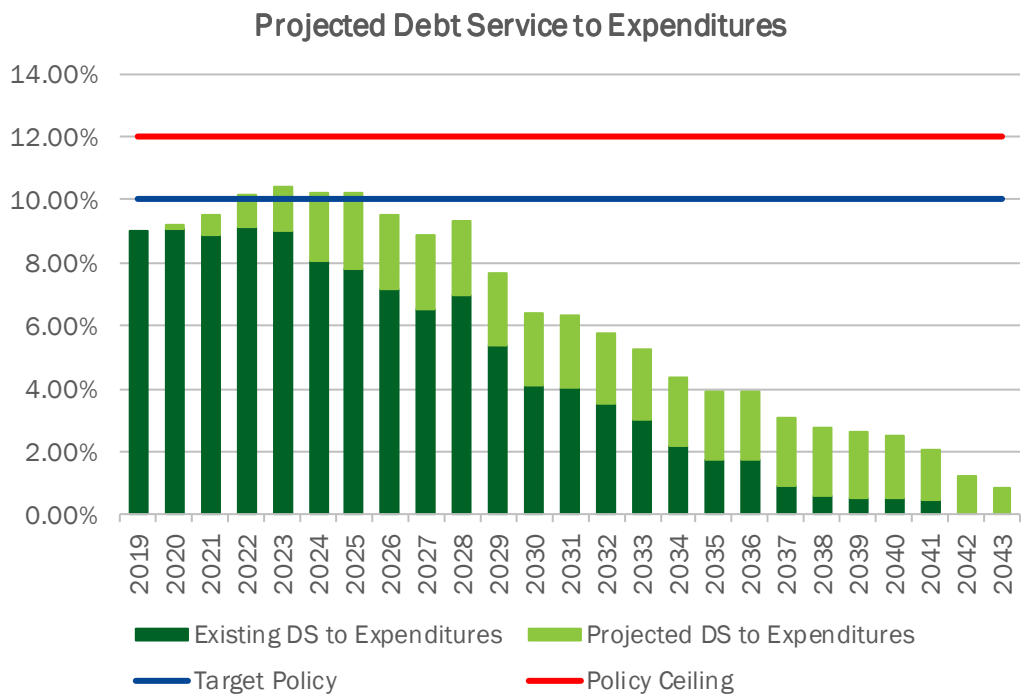
- The projected impact on the City's Key Debt Ratios of issuing the FY 2019 Issuance PLUS the full General Fund CIP is shown below **vs. the City's Existing Policy Target/Limits:**

- ***Without any structuring of the CIP or upcoming New Money Debt Service, the City is estimated to remain within the existing 12% Policy Ceiling and exceed the 10% Policy Target for Debt Service vs. Expenditures.***





Assumed Growth in Assessed Value: FY 19 – 0.50%; FY 20 and After – 1.00%.
Governmental Expenditures for FY 19 are from the proposed FY 19 Budget.
Assumed Growth in Governmental Expenditures: FY 20 and After – 1.00%.

Key Debt Ratio Compliance – Scenario 1

FY 2019 Issuance and Full 5-Year CIP

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	Peak	Compliant?
Debt to Assessed Value	1.20% (FY19)	✓
Debt Service to Expenditures	10.43% (FY23)	✓
Payout Ratio	68.38% (FY19)	✓

Resulting Debt Profile – Scenario 2

FY 2019 Issuance and Full 5-Year CIP – "Bond Anticipation Note (BAN)" Issuance Strategy

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Assumed Borrowing Amounts	
FY Issued	Amount
2019	$1,954,600
2020	4,902,800
2021	4,221,000
2022	5,048,500
2023	8,048,500
2024	3,400,000
Total	$27,575,400

FY	Existing Debt Service	General Fund Bond-Funded CIP Debt Service						FY19-24 CIP Debt Service	Total Debt Service
		FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024		
Total	100,802,186	$3,312,757	$8,309,519	$7,153,969	$8,556,459	$13,641,014	$5,762,496	$46,736,215	$147,538,400
2019	7,755,540	-	-	-	-	-	-	-	7,755,540
2020	7,827,873	58,638	-	-	-	-	-	58,638	7,886,511
2021	7,736,765	58,638	147,084	-	-	-	-	205,722	7,942,487
2022	8,049,005	58,638	147,084	126,630	-	-	-	332,352	8,381,357
2023	7,988,804	156,842	147,084	126,630	151,455	-	-	582,011	8,570,815
2024	7,238,386	156,842	393,413	126,630	151,455	241,455	-	1,069,796	8,308,182
2025	7,068,528	156,842	393,413	338,704	151,455	241,455	102,000	1,383,869	8,452,398
2026	6,530,872	156,842	393,413	338,704	405,105	241,455	102,000	1,637,519	8,168,392
2027	6,026,578	156,842	393,413	338,704	405,105	645,832	102,000	2,041,897	8,068,475
2028	6,534,657	156,842	393,413	338,704	405,105	645,832	272,825	2,212,721	8,747,378
2029	5,045,671	156,842	393,413	338,704	405,105	645,832	272,825	2,212,721	7,258,393
2030	3,904,403	156,842	393,413	338,704	405,105	645,832	272,825	2,212,721	6,117,125
2031	3,899,727	156,842	393,413	338,704	405,105	645,832	272,825	2,212,721	6,112,449
2032	3,424,017	156,842	393,413	338,704	405,105	645,832	272,825	2,212,721	5,636,738
2033	2,982,374	156,842	393,413	338,704	405,105	645,832	272,825	2,212,721	5,195,095
2034	2,141,828	156,842	393,413	338,704	405,105	645,832	272,825	2,212,721	4,354,550
2035	1,738,610	156,842	393,413	338,704	405,105	645,832	272,825	2,212,721	3,951,331
2036	1,732,432	156,842	393,413	338,704	405,105	645,832	272,825	2,212,721	3,945,154
2037	938,255	156,842	393,413	338,704	405,105	645,832	272,825	2,212,721	3,150,976
2038	619,374	156,842	393,413	338,704	405,105	645,832	272,825	2,212,721	2,832,096
2039	557,898	156,842	393,413	338,704	405,105	645,832	272,825	2,212,721	2,770,620
2040	557,560	156,842	393,413	338,704	405,105	645,832	272,825	2,212,721	2,770,281
2041	503,028	156,842	393,413	338,704	405,105	645,832	272,825	2,212,721	2,715,750
2042		156,842	393,413	338,704	405,105	645,832	272,825	2,212,721	2,212,721
2043	-	-	393,413	338,704	405,105	645,832	272,825	2,055,879	2,055,879
2044	-	-	-	338,704	405,105	645,832	272,825	1,662,466	1,662,466
2045	-	-	-	-	405,105	645,832	272,825	1,323,762	1,323,762
2046	-	-	-	-	-	645,832	272,825	918,657	918,657
2047	-	-	-	-	-	-	272,825	272,825	272,825

Resulting Debt Profile – Scenario 2

FY 2019 Issuance and Full 5-Year CIP – "Bond Anticipation Note (BAN)" Issuance Strategy

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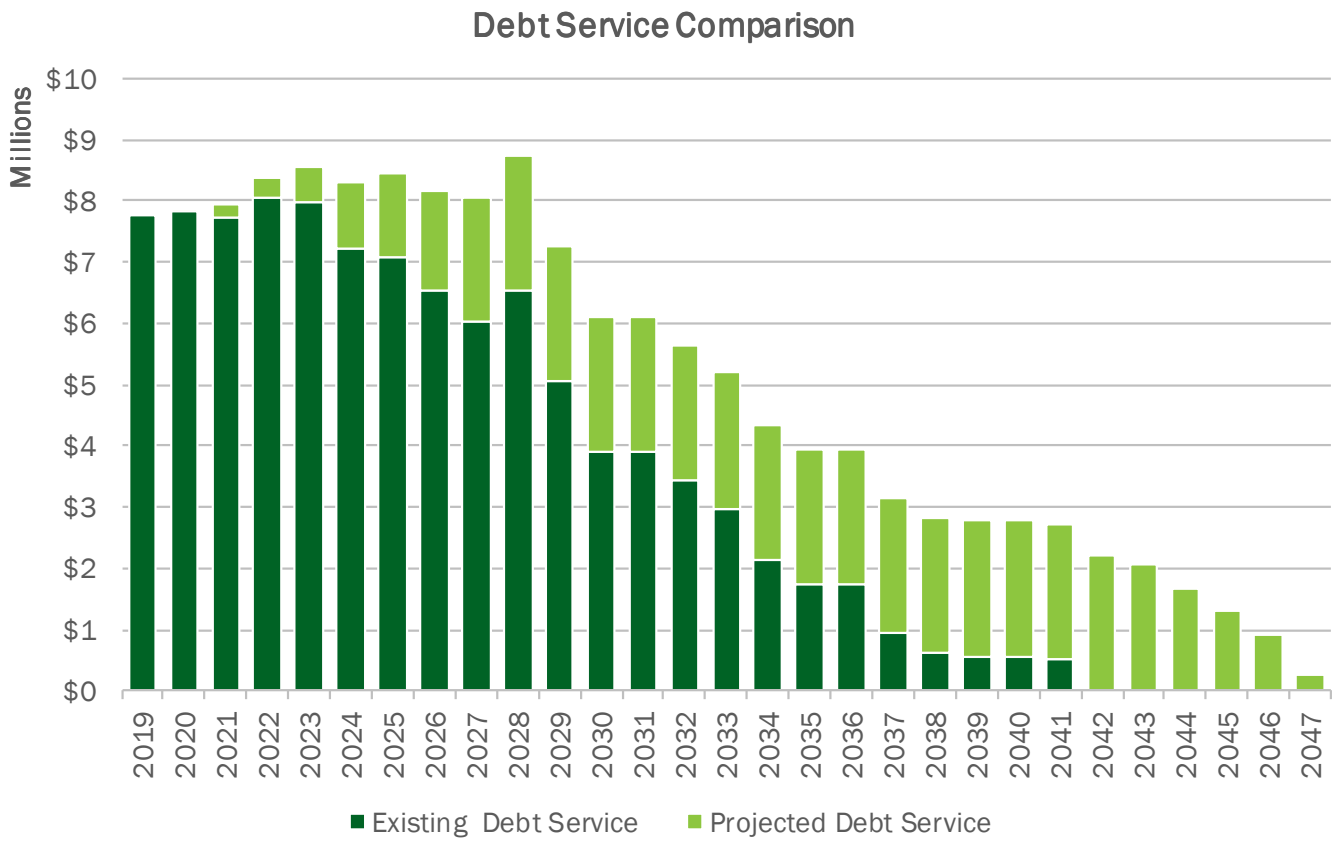

Notes:

— Tax-Supported Debt consists of debt attributable to the general fund, market fund, and dock fund; As of 6/30/18.

— Includes estimated interest and takeout of 2017 BAN.

Key Debt Ratios – Scenario 2

FY 2019 Issuance and Full 5-Year CIP – "Bond Anticipation Note (BAN)" Issuance Strategy

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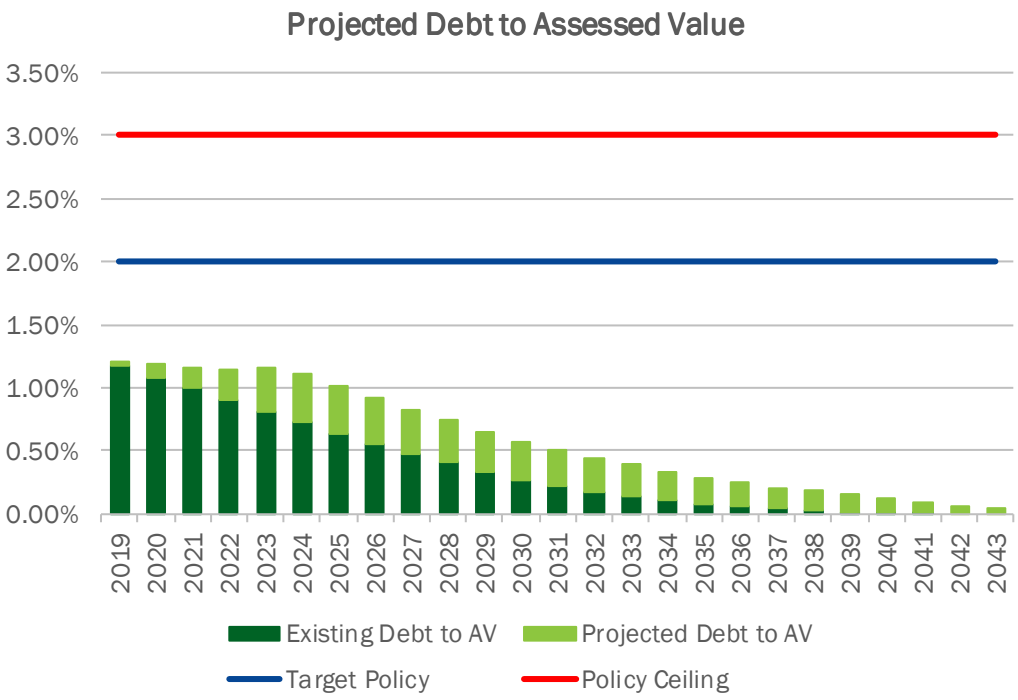
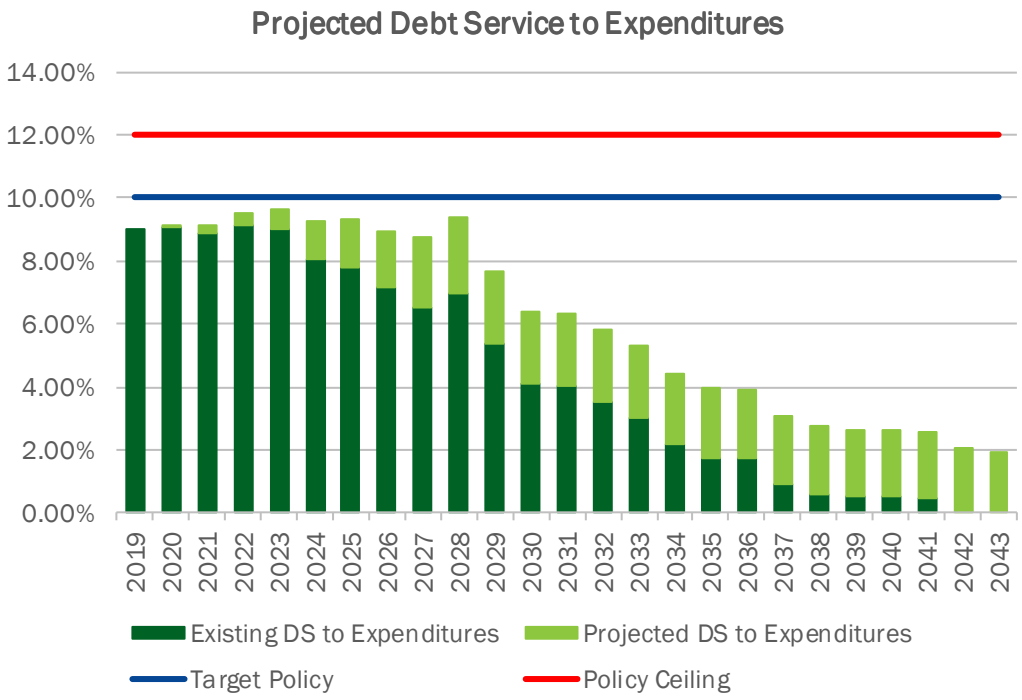
- The projected impact on the City's Key Debt Ratios of issuing the full General Fund CIP using a Bond Anticipation Note ("BAN") strategy is shown below <u>vs. the City's Existing Policy Target/Limits:</u>

- *Through the use of a BAN issuance structure of the CIP and upcoming New Money Debt Service, the City is estimated to remain within the existing 12% Policy Ceiling and the 10% Policy Target for Debt Service vs. Expenditures.*





Assumed Growth in Assessed Value: FY 19 – 0.50%; FY 20 and After – 1.00%.
Governmental Expenditures for FY 19 are from the proposed FY 19 Budget.
Assumed Growth in Governmental Expenditures: FY 20 and After – 1.00%.

Key Debt Ratio Compliance – Scenario 2

FY 2019 Issuance and Full 5-Year CIP – "Bond Anticipation Note (BAN)" Issuance Strategy

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	Peak	Compliant?
Debt to Assessed Value	1.20% (FY19)	✓
Debt Service to Expenditures	9.64% (FY23)	✓
Payout Ratio	69.26% (FY19)	✓

- While the City will remain in compliance with its debt to expenditure policy under both scenarios due to budgetary growth resulting from the proposed tax rate increase in fiscal 2019, keeping with the current BAN strategy will continue to benefit the City for the following reasons:
  - Allows for flexibility to better match timing of projects and timing of borrowing, which can help avoid long-term debt service costs if projects are delayed;
  - Long-term financing can then be structured to meet the future (then current) needs of the City; and
  - Provides additional flexibility under debt-to-expenditure policy and results in faster amortization of debt.

Municipal Advisor Disclaimer

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Insurance Solutions

Health Plan Financial Analysis

PY2017: July - March (9 months)

City of Annapolis

April 18, 2018

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UBA

City of Annapolis

Medical + RX Actual vs. Expected Costs Analysis

July 2017 - June 2018

	Jul	Actual	Exp.	Aug	Actual	Exp.	Sept	Actual	Exp.	Oct	Actual	Exp.
Employee Only	290	25,873	228,147	293	26,141	230,507	291	25,963	228,934	292	26,052	229,721
Employee/Child	37	5,353	157,976	37	5,353	68,766	36	5,209	66,908	36	5,209	66,908
Employee/Spouse	85	12,299	68,766	87	12,588	161,693	85	12,299	157,976	84	12,154	156,118
Family	242	35,015	449,768	240	34,725	446,051	243	35,159	451,626	243	35,159	451,626
Retiree +Admin		1,640			1,632			1,609			1,624	
Total Fixed	654	80,180	904,657	657	80,439	907,017	655	80,238	905,444	655	80,197	904,372
Claims		887,380			475,266			983,837			840,407	
Total Costs		967,560	904,657		555,705	907,017		1,064,075	905,444		920,605	904,372

	Nov	Actual	Exp.	Dec	Actual	Exp.	Jan	Actual	Exp.	Feb	Actual	Exp.
Employee Only	292	26,052	229,721	295	26,319	232,081	296	26,409	232,867	296	26,409	232,867
Employee/Child	36	5,209	152,401	35	5,064	65,049	35	5,064	65,049	35	5,064	65,049
Employee/Spouse	82	11,864	66,908	82	11,864	152,401	83	12,009	154,259	83	12,009	154,259
Family	243	35,159	451,626	242	35,015	449,768	241	34,870	447,909	240	34,725	446,051
Retiree +Admin		1,624			1,632			1,647			1,617	
Total Fixed	653	79,908	900,655	654	79,894	899,298	655	79,999	900,085	654	79,824	898,226
Claims		902,167			882,497			931,457			764,032	
Total Costs		982,075	900,655		962,391	899,298		1,011,455	900,085		843,855	898,226

	Mar	Actual	Exp.	Apr	Actual	Exp.	May	Actual	Exp.	Jun	Actual	Exp.
Employee Only	300	26,766	236,014		0	0		0	0		0	0
Employee/Child	37	5,353	156,118		0	0		0	0		0	0
Employee/Spouse	84	12,154	68,766		0	0		0	0		0	0
Family	240	34,725	446,051		0	0		0	0		0	0
Retiree +Admin		1,624			0			0			0	
Total Fixed	661	80,622	906,949	0	0	0	0	0	0	0	0	0
Claims		973,127										
Total Costs		1,053,749	906,949		0	0		0	0		0	0

YTD Actual Costs:	$7,630,053	Ave. Mo. Actual:	$763,005	% of Exp.	
YTD Exp.Costs:	$7,395,287	Ave. Mo. Exp.:	$739,529	103.2%	

Stop Loss Reimbursements	
$	731,417

Claims paid to date: $7,640,170

Minimum Premium - Fixed Costs		Expected Costs	
Employee Only	$89.22	Employee Only	$786.71
Employee/Child	$144.69	Employee/Child	$1,858.54
Employee/Spouse	$144.69	Employee/Spouse	$1,858.54
Family	$144.69	Family	$1,858.54

Actual = Fixed Costs + Claims

Average enrollment:	**590**
Actual Cost as a PEPY:	**$15,524**
Expected Costs as a PEPY:	**$15,046**

City of Annapolis

Medical + RX Actual vs. Maximum Costs Analysis

July 2017 - June 2018

	Jul	Actual	Max.	Aug	Actual	Max.	Sept	Actual	Max.	Oct	Actual	Max.
Employee Only	290	25,873	265,439	293	26,141	268,185	291	25,963	266,355	292	26,052	267,270
Employee/Child	37	5,353	185,286	37	5,353	80,654	36	5,209	78,474	36	5,209	78,474
Employee/Spouse	85	12,299	80,654	87	12,588	189,646	85	12,299	185,286	84	12,154	183,106
Family	242	35,015	527,521	240	34,725	523,161	243	35,159	529,701	243	35,159	529,701
Retiree +Admin		1,640			1,632			1,609			1,624	
Total Fixed	654	80,180	1,058,901	657	80,439	1,061,646	655	80,238	1,059,816	655	80,197	1,058,551
Claims		887,380			475,266			983,837			840,407	
Total Costs		967,560	1,058,901		555,705	1,061,646		1,064,075	1,059,816		920,605	1,058,551

	Nov	Actual	Max.	Dec	Actual	Max.	Jan	Actual	Max.	Feb	Actual	Max.
Employee Only	292	26,052	267,270	295	26,319	270,016	296	26,409	270,931	296	26,409	270,931
Employee/Child	36	5,209	178,747	35	5,064	76,294	35	5,064	76,294	35	5,064	76,294
Employee/Spouse	82	11,864	78,474	82	11,864	178,747	83	12,009	180,927	83	12,009	180,927
Family	243	35,159	529,701	242	35,015	527,521	241	34,870	525,341	240	34,725	523,161
Retiree +Admin		1,624			1,632			1,647			1,617	
Total Fixed	653	79,908	1,054,192	654	79,894	1,052,578	655	79,999	1,053,493	654	79,824	1,051,313
Claims		902,167			882,497			931,457			764,032	
Total Costs		982,075	1,054,192		962,391	1,052,578		1,011,455	1,053,493		843,855	1,051,313

	Mar	Actual	Max.	Apr	Actual	Max.	May	Actual	Max.	Jun	Actual	Max.
Employee Only	300	26,766	274,593	0	0	0	0	0	0	0	0	0
Employee/Child	37	5,353	183,106	0	0	0	0	0	0	0	0	0
Employee/Spouse	84	12,154	80,654	0	0	0	0	0	0	0	0	0
Family	240	34,725	523,161	0	0	0	0	0	0	0	0	0
Retiree +Admin		1,624			0			0			0	
Total Fixed	661	80,622	1,061,514	0	0	0	0	0	0	0	0	0
Claims		973,127			0			0			0	
Total Costs		1,053,749	1,061,514		0	0		0	0		0	0

YTD Actual Costs:	$7,630,053	Ave. Mo. Actual:	$763,005	% of Max.
YTD Max.Costs:	$8,780,588	Ave. Mo. Max.:	$878,059	86.9%

Stop Loss Reimbursements	
$	731,417

Claims paid to date: $7,640,170

Minimum Premium - Fixed Costs		Maximum Costs	
Employee Only	$89.22	Employee Only	$915.31
Employee/Child	$144.69	Employee/Child	$2,179.84
Employee/Spouse	$144.69	Employee/Spouse	$2,179.84
Family	$144.69	Family	$2,179.84

Actual = Fixed Costs + Claims

Average enrollment:	**590**
Actual Cost as a PEPY:	**$15,524**
Maximum Costs as a PEPY:	**$17,865**

City of Annapolis

Plus Dental Premium Equivalent vs. Actual Costs

July 2017 - June 2018

	Jul	PE	Actual	Aug	PE	Actual	Sept	PE	Actual	Oct	PE	Actual
Employee Only	243	7,689		205	6,486		248	7,847		249	7,878	
Employee/Child	40	1,982		40	1,982		39	1,932		39	1,932	
Employee/Spouse	88	6,044		89	6,113		88	6,044		85	5,838	
Family	232	21,337		230	21,153		232	21,337		233	21,429	
Total PE	603	37,051		564	35,733		607	37,160		606	37,077	
Actual			32,542			34,664			36,314			38,694
Admin			2,750			2,572			2,768			2,763
Total		37,051	35,291		35,733	37,236		37,160	39,082		37,077	41,457

	Nov	PE	Actual	Dec	PE	Actual	Jan	PE	Actual	Feb	PE	Actual
Employee Only	250	7,910		251	7,942		254	8,037		255	8,068	
Employee/Child	39	1,932		38	1,883		38	1,883		38	1,883	
Employee/Spouse	82	5,632		81	5,563		81	5,563		80	5,494	
Family	232	21,337		231	21,245		230	21,153		229	21,061	
Total PE	603	36,811		601	36,632		603	36,635		602	36,506	
Actual			32,161			31,976			26,229			23,690
Admin			2,750			2,741			2,750			2,745
Total		36,811	34,911		36,632	34,717		36,635	28,979		36,506	26,435

	Mar	PE	Actual	Apr	PE	Actual	May	PE	Actual	Jun	PE	Actual
Employee Only	257	8,131			0			0			0	
Employee/Child	39	1,932			0			0			0	
Employee/Spouse	81	5,563			0			0			0	
Family	229	21,061			0			0			0	
Total PE	606	36,688		0	0		0	0		0	0	
Actual			36,917									
Admin			2,763			0			0			0
Total		36,688	39,681		0	0		0	0		0	0

Premium Equivalents	
Employee Only	$31.64
Employee/Child	$49.54
Employee/Spouse	$68.68
Family	$91.97
Admin Fee + Agg Fee	
Per EE	$4.56

YTD Actual:	$317,790
YTD Prem. Equiv.:	$330,294
% of Premium Equivalents:	96.2%

City of Annapolis - Copay Cost Share Analysis

	# of Claims	Current Copay	Increase to Current Copay	Estimated Value of Plan Change
Hospital/Facility				
Inpatient Facility	127	$100	$150	$19,050
Emergency Room	542	$125	$25	$13,550
Outpatient				
PCP/Specialists Office Visits	7,965	*	$10	$79,650
Urgent Care	1,407	**	$20	$28,140
Prescription Drug				
RX Copays	10,400	***	$10	$104,000
Total Annual Estimated Change				$244,390

* Increases all OV copays by $10. PCP currently at $15 for all plans, this would increase to $25. Specialist Visits are currently $25 under the HDHP & EPO plans and $15 for Core and Plus PPO. HDHP/EPO would increase to $35; Core/Plus PPO would increase to $25.

** Increase UC copay from $30 to $50 under the HDHP/EPO plans and from $25 to $45 under Core/Plus PPO plans.

Insurance Solutions

Medical Plan Experience Reporting

(excludes RX)

City of Annapolis

Seven Months, July 1, 2017 – March 31, 2018

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SUMMARY

Following is a summary of the InforMed Medical Management Services consumed by the members of the **City of Annapolis** health plan.

General Statistics for City of Annapolis

Total Paid Medical Claims (Jul 2017 – Mar 2018)	**$5,186,692 (excludes RX)**
Plan Employees	**654**
Plan Members	**1,518**
Medical Benefit Per Member Per Month	**$393.80**
Medical Benefit Per Employee Per Month	**$913.97**

Large Case and Case Management

From July 2017 through March 2018 the **City of Annapolis** Plan had 75 claimants receiving care that totaled $10,000 or more that should have been managed. The 90 cases had a total medical expense of $3,290,082 and constituted 63.4% of the total medical cost for the plan year.

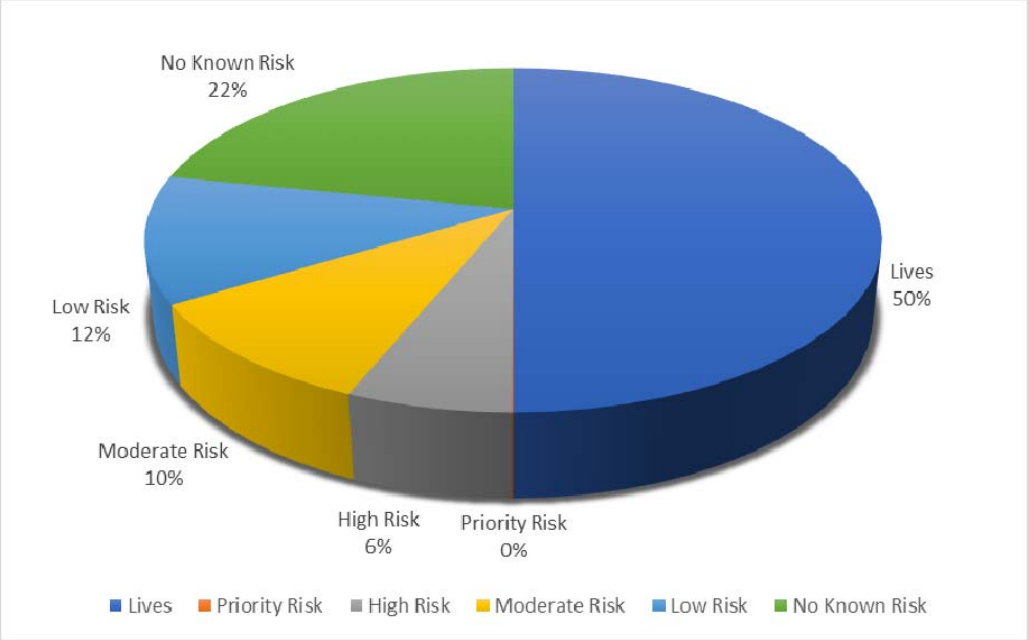
5.9% of the total claimants represented 63.4% of the total medical claims costs for YTD2017.

Risk Stratification

Below is a summary of the participants who can benefit most from Medical Management interventions. IMMS uses all enhanced information, including evidence-based medicine rules, predictive modeling values and claims utilization to identify and measure participant and population risks.

Participant Stratification Levels – Q1 2018 Summary

Lives	Priority Risk	High Risk	Moderate Risk	Low Risk	No Known Risk
1,515	2	185	306	361	661



Q1 17 vs, Q1 16 Detail

	Strat Level	Trigger Description	Participant Counts		
			Q1-17	Q1-18	Q1-17 vs. Q1-18
1	Priority	Claims Utilization - Single Dose GT $5,000 first occurrence for NDC/HCPCS in prior month	1	1	0
2	Priority	Claims Utilization - Gastrointestinal Identified ICD Codes first occurrence in prior month	1	1	0
3	Priority	Claims Utilization - Breast Cancer Identified ICD Codes first occurrence in prior month	1	0	-1
4	High	Unique Medical Provider Interactions - 15 + in prior 12 months	80	90	10
5	High	Predicted between $25,000 and above	51	52	1
6	High	Unique Prescribing Physician Interactions - 9 + in prior 12 months	50	55	5
7	High	Claims Utilization - Consumed GT $5,000 in RX in prior 6 months	43	48	5
8	High	Chronic Renal Failure	20	23	3
9	High	Claims Utilization - GT $25,000 in medical in prior 6 months	20	22	2
10	High	Claims Utilization - Single Dose GT $5,000 for NDC/HCPCS in prior 2 months	9	16	7
11	High	Congestive Heart Failure, Hypertension, & Hyperlipidemia	8	7	-1
12	High	Claims Utilization - Breast Cancer Identified ICD Codes in prior 6 months	8	5	-3
13	High	Asthma - Adult(s) with presumed persistent asthma using an inhaled corticosteroid.	8	4	-4
14	High	Congestive Heart Failure, Diabetes	7	8	1
15	High	Depression - Patient(s) with evidence of complex medication regimes, substance abuse or certain dissociative or personality disorders that had psychiatric consultation in last 6 reported months.	4	2	-2
16	High	Claims Utilization - 3 ER Visits in prior 2 months	3	0	-3
17	High	Congestive Heart Failure, Obesity, & Hyperlipidemia	2	4	2
18	High	Congestive Heart Failure, Obesity, & Hypertension	2	4	2
19	High	Sickle Cell Anemia	2	3	1
20	High	Claims Utilization - Gastrointestinal Identified ICD Codes in prior 6 months	2	3	1
21	High	Claims Utilization - Identified Procedure Codes	2	2	0
22	High	Claims Utilization - Multiple Myeloma Identified ICD Codes in prior 6 months	2	2	0
23	High	Claims Utilization - Leukemia Identified ICD Codes in prior 6 months	2	1	-1
24	High	Claims Utilization - Brain / Spinal Cancer Identified ICD Codes in prior 6 months	1	0	-1
25	High	Claims Utilization - Lung Cancer Identified ICD Codes in prior 6 months	1	0	-1
26	High	Diabetes Mellitus - Patient(s) with most recent hemoglobin A1C result 9.0% or higher.	0	1	1
27	High	Female patient(s) with elevated levels of two most recent serum creatinine tests (>= 1.4mg/dL), taking a contraindicated biguanide (e.g. metformin) medication. (ATYPICAL - Compliant if not true)	0	1	1
28	High	Asthma - Patient(s) with an asthma related hospitalization or ER encounter in last 3 reported months or frequently using short-acting beta2-agonist inhalers that had an office visit in last 3 reported months.	0	1	1
29	High	Claims Utilization - Colon Cancer Identified ICD Codes in prior 6 months	0	1	1
30	Mod.	Predicted between $10,000 - $24,999	246	292	46
31	Mod.	Unique Prescribing Physician Interactions - 6 to 8 in prior 12 months	117	165	48
32	Mod.	Unique Medical Provider Interactions - 11 to 14 in prior 12 months	98	145	47
33	Mod.	Diabetes, Hypertension, & Hyperlipidemia	72	90	18
34	Mod.	Diabetes, Hypertension, & Obesity	47	64	17
35	Mod.	Diabetes, Hyperlipidemia, & Obesity	34	51	17
36	Mod.	Coronary Artery Disease, Hypertension, & Hyperlipidemia	34	43	9
37	Mod.	Claims Utilization - Between $10,000 and $24,999 in medical in prior 6 months	32	40	8
38	Mod.	Diabetes, Hypertension, & Coronary Artery Disease	27	24	-3
39	Mod.	Claims Utilization - 4+ ER Visits in prior 12 months	26	24	-2
40	Mod.	Diabetes, Hyperlipidemia, & Coronary Artery Disease	19	23	4
41	Mod.	Unique Prescriptions - 18 + in prior 6 months	16	18	2
42	Mod.	Chronic Obstructive Pulmonary Disease, Diabetes, & Obesity	2	3	1
43	Low	Hypertension	312	343	31
44	Low	Unique Prescribing Physician Interactions - 4 to 5 in prior 12 months	204	237	33

Q1 18 vs, Q1 17 Detail (continued)

	Strat Level	Trigger Description	Participant Counts		
			Q1-17	Q1-18	Q1-17 vs. Q1-18
45	Low	Hyperlipidemia	179	217	38
46	Low	Unique Medical Provider Interactions - 8 to 10 in prior 12 months	176	206	30
47	Low	Predicted between $ 6,000 - $9,999	152	178	26
48	Low	Diabetes Mellitus	144	182	38
49	Low	Obesity	130	233	103
50	Low	Diabetes Non-Adherent	109	129	20
51	Low	Diabetes, Comp Care Non-Adherent	88	115	27
52	Low	Asthma	87	96	9
53	Low	Coronary Artery Disease	52	55	3
54	Low	Chronic Obstructive Pulmonary Disease	14	15	1
55	Low	Congestive Heart Failure	12	12	0
56	Low	Afib Non-Adherent	5	2	-3
57	Low	CHF Non-Adherent	4	3	-1
58	Low	Hyperlipidemia - Patient(s) with the most recent triglyceride result <500mg/dL.	2	5	3
59	Low	Hyperlipidemia - Patient(s) with the most recent LDL result <160mg/dL.	2	4	2
60	Low	Coronary Artery Disease - Patient(s) with a myocardial infarction in the past who are currently taking a beta-blocker.	0	1	1
61	Low	Congestive Heart Failure - Patient(s) compliant with prescribed digoxin (minimum compliance 70%).	0	1	1
62	NKR	Claims Utilization - RX or Medical data in prior 12 months	407	583	176
63	NKR	Claims Utilization - No RX and No Medical data in prior 12 months	97	84	-13
		Total Unique Participants	1,179	1,515	336

Predictive Modeling

As of March 31, Q1-18, there were 611 unique members predicted to spend in excess of $5,000 over the next 12 months:

Predicted annual low:	$ 9,193,377
Predicted annual high:	$13,206,864

Top 5 Major Practice Categories:

Orthopedics & Rheumatology	404
Endocrinology	387
Cardiology	358
Otolaryngology (EN&T)	305
Dermatology	290

Predictive Modeling – Q1-18 vs. Q1-17

Major Predictive Category	Q1-2018					Q1-2017				
Episodic Risk Grouping	EE	SP	DEP	TOT	% of TOT	EE	SP	DEP	TOT	% of TOT
Orthopedics & Rheumatology	251	126	27	404	66.1%	256	118	32	406	66.7%
Endocrinology	272	99	16	387	63.3%	274	93	14	381	62.6%
Cardiology	267	79	12	358	58.6%	258	70	13	341	56.0%
Otolaryngology	172	85	48	305	49.9%	177	91	49	317	52.1%
Dermatology	186	75	29	290	47.5%	199	80	33	312	51.2%
Gastroenterology	158	65	31	254	41.6%	146	76	32	254	41.7%
Psychiatry	129	80	35	244	39.9%	127	74	32	233	38.3%
Pulmonology	129	58	34	221	36.2%	128	61	34	223	36.6%
Neurology	99	61	18	178	29.1%	107	56	18	181	29.7%
Ophthalmology	128	38	10	176	28.8%	113	41	9	163	26.8%
Urology	94	34	8	136	22.3%	86	26	11	123	20.2%
Gynecology	32	56	7	95	15.6%	40	48	11	99	16.3%
Infectious Diseases	36	20	9	65	10.6%	43	18	10	71	11.7%
Chemical Dependency	29	13	1	43	7.0%	28	15	8	51	8.4%
Hematology	23	15	3	41	6.7%	17	11	3	31	5.1%
Hepatology	23	8	3	34	5.6%	23	9	1	33	5.4%
Nephrology	22	3	3	28	4.6%	25	2	1	28	4.6%
Obstetrics	6	12	4	22	3.6%	8	14	5	27	4.4%
Late Effects, Environmental Trauma & Poisonings	7	9	4	20	3.3%	13	5	7	25	4.1%
Neonatology	0	3	5	8	1.3%	1	3	2	6	1.0%
No Known Conditions	2	0	0	2	0.3%	2	0	0	2	0.3%
Total Unique Members	378	165	68	611		382	159	68	609	
% of Total Members	61.9%	27.0%	11.1%			62.7%	26.1%	11.2%		
*Total Annual Low	$6,256,392	$2,245,851	$691,135		$9,193,377	$6,116,318	$2,080,179	$685,063		$8,881,561
*Total Annual High	$9,168,298	$3,133,793	$904,773		$13,206,864	$8,732,127	$2,919,149	$891,588		$12,542,864
% of Total High	69.4%	23.7%	6.9%			69.6%	23.3%	7.1%		

Please note: the ERG Annual High and Low numbers are meant to be a guide to identify prospective patient consumption of health care resources. The ERG Annual High number should not be used in a way to suggest that this claimant will not consume any more than the dollar amount described, but more as a statistical reference point as compared to other patient's utilization.

Performance Report: July 1, 2017 through March 31, 2018

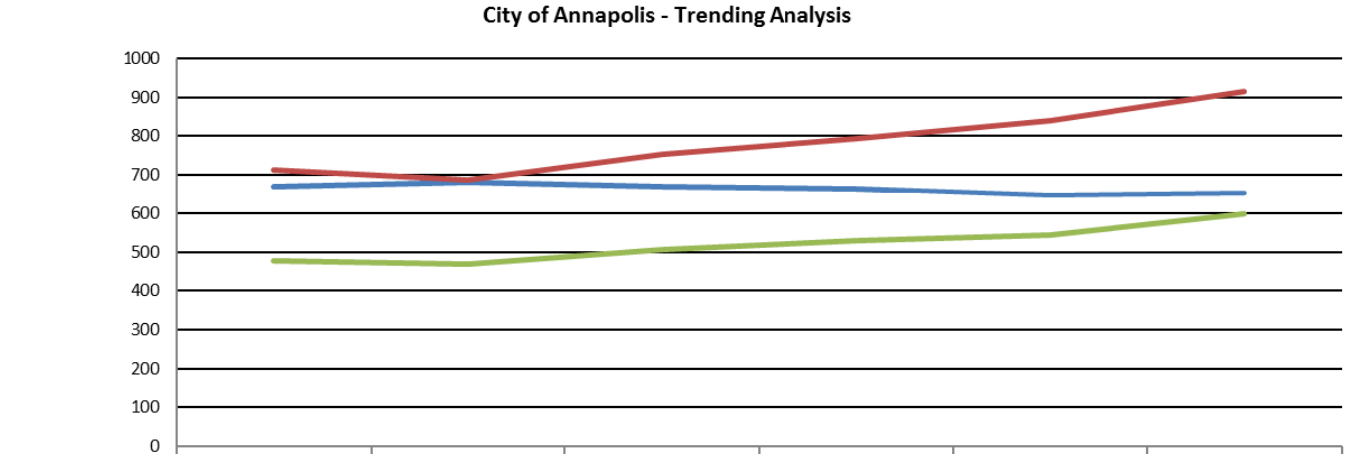
CM		DM		SCR		UR		Totals	
EOS	Time (HH:MM)	EOS	Time (HH:MM)	EOS	Time (HH:MM)	EOS	Time (HH:MM)	EOS	Time (HH:MM)
59	104:32	95	188:34	2	:10	157	121:07	313	414:23

Fees								
CM	DM	SCR	UR	Oth. Exp	TOT	Savings	ROI	Eff. PEPM
$14,635	$26,399	$23	$16,956	$4,188	$62,201	**$105,409**	**1.69**	**$10.55**

Savings Analysis

Savings Description	# Participants	% of Participants	# Episodes	# Occur	Savings	% of Savings	Avg Savings/ Episode	Avg Savings/ Occurrence	# Units Saved	AVG Units Saved/ Episode	AVG Units Saved/ Occurrence
Reduced Length of Stay	19	68%	22	22	$48,400	46%	$2,200	$2,200	17	0.77	0.77
Outpatient Care in lieu of Impatient Care	8	29%	10	14	$44,513	42%	$4,451	$3,180	13	1.3	0.93
Savings based on improved health related behaviors	1	4%	1	1	$12,002	11%	$12,002	$12,002	1	1	1
Medical Director review - Coverage criteria not met based on clinical review	1	4%	1	1	$494	0%	$494	$494	2	2	2
Totals (*Unique)	28*		33*	**38**	$105,409	100%	**$6,078**	$3,503	33	1	0.87

Trending Analysis



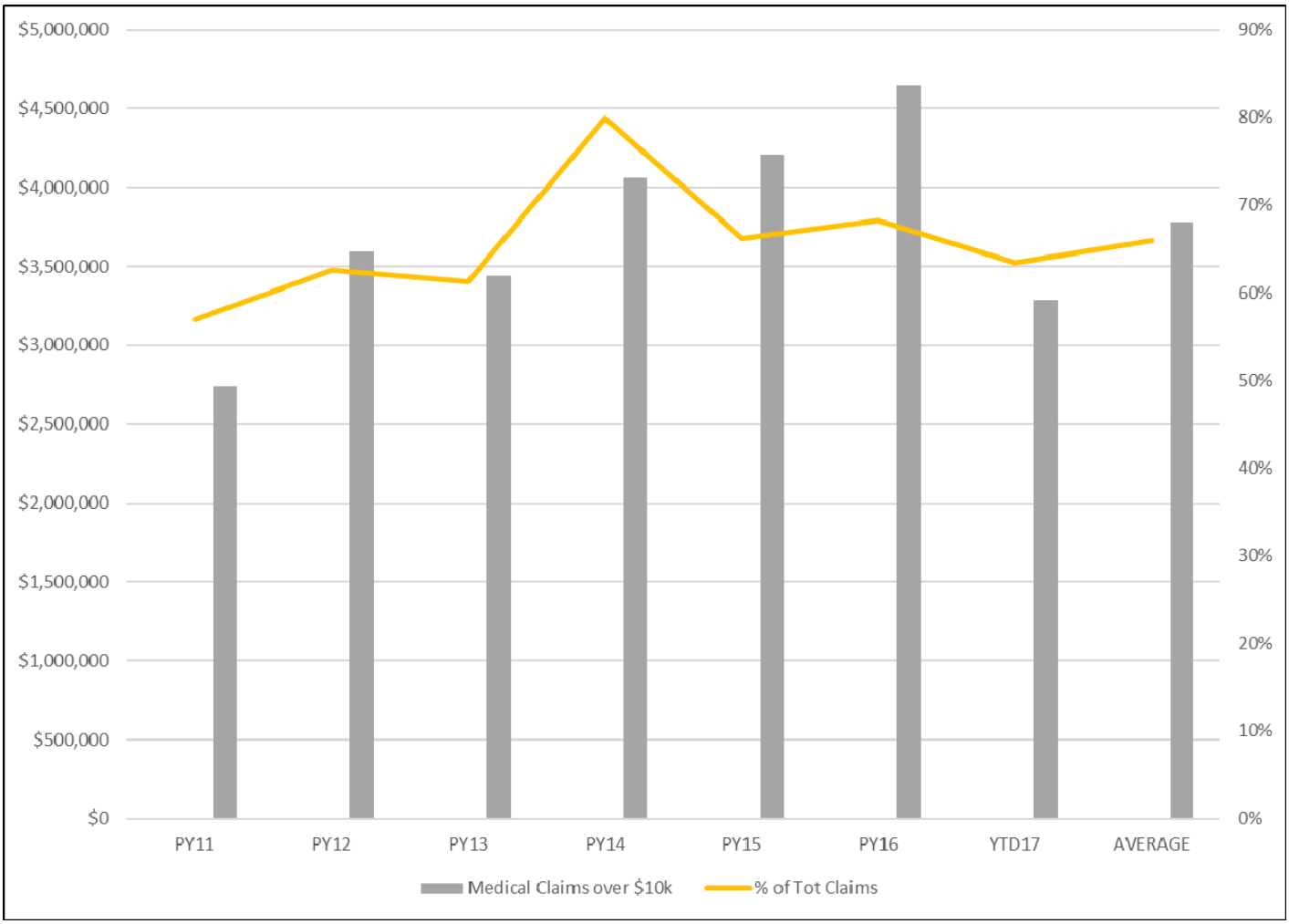
	PY2012	PY2013	PY2014	PY2015	PY2016	Rolling 12
# Employees	670	681	671	666	646	654
PEPM	$713.87	$687.17	$753.14	$795.13	$838.88	$913.97
Total Dollars	$478.06	$467.85	$505.36	$529.29	$542.06	$597.66

Trending Analysis:

Summary Information	PY2012	PY2013	PY2014	PY2015	Variance	PY2016	Variance	Rolling 12	Variance
# Employees	669.7	680.8	671.0	665.7	-1%	646.2	-3%	653.9	1%
# Members	1,555.2	1,574.3	1,568.7	1,555.8	-1%	1,515.8	-3%	1,517.7	0%
# Claimants	680.1	696.5	665.0	677.0	2%	653.4	-3%	674.1	3%
# Claims	1,928.5	1,892.8	1,929.2	2,002.2	4%	1,916.3	-4%	2,010.2	5%
Age/Sex Factor	1.15	1.15	1.16	1.17	1%	1.18	1%	1.18	0%
Total Dollars (in thousands)	$478.06	$467.85	$505.36	$529.29	5%	$542.06	2%	$597.66	10%
PEPM	$713.87	$687.17	$753.14	$795.13	6%	$838.88	6%	$913.97	9%
PMPM	$307.40	$297.19	$322.16	$340.22	6%	$357.62	5%	$393.80	10%
Avg. claims per member	1.24	1.20	1.23	1.29	5%	1.26	-2%	1.32	5%
Avg. lines per member	2.83	2.80	2.95	3.07	4%	3.05	-1%	3.22	6%
% of claimants to members	44%	44%	42%	44%	5%	43%	-2%	44%	2%
Avg. turnaround incurred to paid	31.52	29.85	34.05	31.78	-7%	30.64	-4%	30.59	0%
Avg. turnaround received to paid	9.95	10.00	14.03	13.38	-5%	11.95	-11%	12.43	4%
Claimants Under $10,000	**PY2012**	**PY2013**	**PY2014**	**PY2015**	**Variance**	**PY2016**	**Variance**	**Rolling 12**	**Variance**
% of Claimants to Members	38%	40%	37%	37%	0%	38%	3%	40%	5%
Claims per 1000 cov. lives	960.1	994.6	933.1	951.5	2%	969.5	2%	1,072.6	11%
E&M visits per 1000 cov. lives	440.0	453.6	417.9	423.7	1%	422.1	0%	475.4	13%
Procedures per 1000 cov. lives	188.4	183.3	168.0	158.2	-6%	164.8	4%	181.8	10%
Hospital admits/1000 cov. lives	4.5	4.1	3.4	2.4	-31%	1.9	-19%	2.9	48%
Hospital days/1000 cov. lives	12.6	15.2	13.5	11.0	-18%	5.7	-48%	12.3	115%
ALOS per hospital visit	2.7	3.5	3.2	5.1	58%	2.7	-47%	4.4	61%
ER visits per 1000 cov. lives	27.1	25.7	20.5	25.2	23%	22.2	-12%	22.9	3%
Average Claim Cost	$132	$142	$126	$134	6%	$141	5%	$141	0%
Average Cost per claimant	$331	$353	$316	$339	7%	$358	6%	$377	5%
Average Claims per claimant	2.5	2.5	2.5	2.5	1%	2.6	0%	2.7	5%
Average lines per claimant	5.5	5.6	5.7	5.8	2%	5.9	1%	6.1	4%
PEPM	$293.97	$327.24	$274.52	$296.89	8%	$319.71	8%	$351.93	10%
PMPM	$126.58	$141.50	$117.39	$127.10	8%	$136.25	7%	$151.53	11%
% Paid In-Network (Facility)	28%	25%	25%	25%	0%	22%	-12%	24%	9%
% Paid In-Network (Professional)	69%	68%	67%	71%	6%	70%	-1%	68%	-3%
% Paid In-Network (Total)	97%	92%	92%	96%	4%	90%	-6%	92%	2%
Claimants Over $10,000	**PY2012**	**PY2013**	**PY2014**	**PY2015**	**Variance**	**PY2016**	**Variance**	**Rolling 12**	**Variance**
% of Claimants to Members	6%	4%	6%	6%	0%	5%	-17%	4%	-20%
Claims per 1000 cov. lives	279.9	207.8	296.8	336.1	13%	294.5	-12%	351.7	19%
E&M visits per 1000 cov. lives	106.2	75.6	112.5	126.1	12%	109.3	-13%	105.8	-3%
Procedures per 1000 cov. lives	62.5	39.1	52.9	54.1	2%	48.1	-11%	45.8	-5%
Hospital admits/1000 cov. lives	6.91	4.81	6.00	4.45	-26%	5.23	18%	4.23	-19%
Hospital days/1000 cov. lives	31.2	17.4	20.9	23.1	11%	30.6	32%	27.9	-9%
ALOS per hospital visit	4.3	3.2	3.2	5.0	56%	6.5	31%	6.5	0%
ER visits per 1000 cov. lives	4.9	4.2	3.9	5.7	46%	6.2	7%	5.1	-17%
Average Claim Cost	$642	$764	$690	$628	-9%	$826	32%	$1,002	21%
Average Cost per claimant	$3,282	$3,855	$3,623	$3,460	-4%	$4,627	34%	$5,923	28%
Average Claims per claimant	5.08	4.94	5.23	5.44	4%	5.52	1%	5.91	7%
Average lines per claimant	13.60	13.66	14.88	14.60	-2%	15.62	7%	18.21	17%
PEPM	$419.63	$359.69	$478.98	$498.40	4%	$519.34	4%	$562.37	8%
PMPM	$180.67	$155.62	$204.81	$213.27	4%	$221.25	4%	$242.24	9%
% Paid In-Network (Facility)	66%	60%	57%	51%	-11%	55%	8%	65%	18%
% Paid In-Network (Professional)	32%	37%	37%	46%	24%	37%	-20%	31%	-16%
% Paid In-Network (Total)	98%	97%	94%	97%	3%	92%	-5%	96%	4%

Claimants Over $10,000 Summary

	PY11	PY12	PY13	PY14	PY15	PY16	YTD17	AVERAGE
Total Claimants	114	118	118	128	132	132	90	124
Medical Claims over $10k	$2,741,316	$3,591,628	$3,440,277	$4,063,019	$4,211,375	$4,649,914	$3,290,082	3,782,922
% of Claimants	7.4%	7.5%	7.5%	8.2%	8.5%	8.7%	5.9%	8.0%
Medical Claims over $10k	$4,813,618	$5,740,583	$5,614,085	$5,080,785	$6,357,262	$6,818,498	$5,186,692	5,737,472
% of Tot Claims	56.9%	62.6%	61.3%	80.0%	66.2%	68.2%	63.4%	65.9%



Claimants Over $10,000 Details

REL	Age	Sex	Last MM Activity	MDC/NDC Description -Last Paid Date	MDC-Paid	ERG Annual Low/High*	Total
1 DEP	13	M	11/08/17 - CM - Closed	Factors Influencing Health Status - 03/30/18	$276,123	$ 14,968 / $ 20,628	$419,041
			01/05/18 - UR - Approved	Diseases of the Nervous System - 03/30/18	$136,615		
				Diseases of the Digestive System - 01/30/18	$3,609		
				Musculoskeletal System - 01/17/18	$1,194		
2 EE	61	F	08/04/15 - SCR - Closed	Myeloproliferative Diseases - 03/23/18	$368,366	$ 117,950 / $ 250,000	$376,360
			12/22/17 - DM - Closed	Factors Influencing Health Status - 03/20/18	$2,615		
			03/09/18 - UR - Approved	Musculoskeletal System - 11/21/17	$1,198		
			03/15/18 - CM - Closed				
3 EE	32	M	01/09/17 - DM - Closed	Myeloproliferative Diseases - 03/30/18	$217,028	$ 68,276 / $ 117,950	$262,651
			03/15/17 - SCR - Closed	Blood and Blood-Forming Organs - 12/19/17	$36,959		
			01/19/18 - UR - Approved	Factors Influencing Health Status - 01/23/18	$3,358		
			02/07/18 - CM - Closed	Infectious and Parasitic Diseases - 02/21/18	$2,954		
4 SP	34	F	12/07/17 - UR - Approved	Pregnancy, Childbirth, Puerperium - 01/04/18	$75,854	$ 8,271 / $ 10,574	$112,640
			12/22/17 - CM - Closed	Kidney and Urinary Tract - 02/21/18	$32,485		
				Factors Influencing Health Status - 01/30/18	$2,986		
5 EE	64	M	02/23/15 - SCR - Closed	Circulatory System - 12/12/17	$91,153	**Termed**	$94,073
			07/05/17 - UR - Approved	Skin, Subcutaneous Tissue, Breast - 02/13/18	$1,640		
			07/12/17 - CM - Closed				
			10/25/17 - DM - Closed				
6 EE	60	F	01/06/17 - SCR - Closed	Diseases of the Digestive System - 03/06/18	$88,658	$ 10,574 / $ 12,353	$89,104
			01/01/18 - UR - Approved				
7 EE	58	F	07/28/16 - DM - Closed	Kidney and Urinary Tract - 03/12/18	$70,480	$ 117,950 / $ 250,000	$80,014
			01/03/17 - SCR - Closed	Circulatory System - 11/13/17	$8,346		
			05/05/17 - CM - Closed				
			12/26/17 - UR - Approved				
8 SP	58	F	11/09/16 - SCR - Closed	Diseases of the Nervous System - 03/20/18	$61,601	$ 31,816 / $ 43,755	$70,787
			06/08/17 - CM - Closed	Hepatobiliary System and Pancreas - 12/19/17	$5,557		
			09/29/17 - DM - Closed	Circulatory System - 03/30/18	$1,413		
			11/17/17 - UR - Approved	Respiratory System - 03/30/18	$1,187		
9 DEP	1	F	03/05/18 - UR - Approved	Respiratory System - 03/14/18	$23,132	$ 43,755 / $ 68,276	$60,972
			04/03/18 - DM - Closed	Newborns & Condtn Orig in Perinatal - 11/09/17	$18,355		
				Diseases of the Nervous System - 03/30/18	$9,896		
				Endocrine, Nutritional, Metabolic - 03/20/18	$4,262		
				Ear, Nose, Mouth and Throat - 03/30/18	$3,116		
				Factors Influencing Health Status - 03/14/18	$2,022		
10 SP	41	F	11/20/15 - SCR - Closed	Diseases of the Nervous System - 01/30/18	$39,969	$ 8,271 / $ 10,574	$60,789
			12/21/15 - DM - Closed	Musculoskeletal System - 03/06/18	$19,178		
			12/15/17 - CM - Closed	Factors Influencing Health Status - 12/27/17	$1,516		
			12/26/17 - UR - Approved				
11 DEP	16	F	03/21/17 - DM - Closed	Diseases and Disorders of the Eye - 03/20/18	$24,149	$ 14,968 / $ 20,628	$50,254
			03/22/17 - SCR - Closed	Musculoskeletal System - 03/06/18	$23,511		
			11/30/17 - CM - Closed	Diseases of the Digestive System - 02/21/18	$1,514		
			01/16/18 - UR - Approved				
12 EE	60	M	03/24/16 - SCR - Closed	Musculoskeletal System - 03/06/18	$46,072	$ 20,628 / $ 31,816	$47,136
			11/08/17 - UR - Approved				
			01/19/18 - CM - Closed				
13 EE	65	F	11/30/15 - CM - Closed	Myeloproliferative Diseases - 11/01/17	$45,329	$ 10,574 / $ 12,353	$46,602
			02/07/17 - SCR - Closed	Skin, Subcutaneous Tissue, Breast - 02/07/18	$1,069		
			06/01/17 - UR - Approved				
			02/15/18 - DM - Active				
14 EE	57	F	06/13/12 - CM - Closed	Blood and Blood-Forming Organs - 03/30/18	$43,424	$ 43,755 / $ 68,276	$46,030
			03/22/16 - DM - Closed				
			12/20/16 - SCR - Closed				
			12/21/17 - UR - Approved				
15 DEP	17	F	12/13/16 - SCR - Closed	Circulatory System - 02/07/18	$30,173	$ 14,968 / $ 20,628	$39,479
			01/11/17 - DM - Closed	Endocrine, Nutritional, Metabolic - 02/13/18	$6,314		
			12/20/17 - UR - Approved	Musculoskeletal System - 09/07/17	$1,903		

Claimants Over $10,000 Details

REL	Age	Sex	Last MM Activity	MDC/NDC Description -Last Paid Date	MDC-Paid	ERG Annual Low/High*	Total
16 DEP	18	M	12/07/16 - SCR - Closed 12/30/16 - DM - Closed 02/08/18 - UR - Approved	Diseases of the Digestive System - 03/30/18	$38,726	$ 8,271 / $ 10,574	$39,268
17 DEP	0	M	02/21/18 - UR - Approved	Newborns & Condtn Orig in Perinatal - 03/14/18 Respiratory System - 03/20/18	$34,627 $3,256	$ 5,714 / $ 6,798	$38,129
18 DEP	14	M	03/21/18 - UR - Approved 04/11/18 - CM - Active	Diseases of the Digestive System - 03/20/18 Diseases of the Nervous System - 01/23/18 Endocrine, Nutritional, Metabolic - 03/30/18 Circulatory System - 03/14/18	$14,124 $8,323 $6,078 $5,957	$ 20,628 / $ 31,816	$35,516
19 DEP	21	F	03/17/17 - SCR - Closed 03/17/17 - UR - Approved 08/30/17 - DM - Closed	Factors Influencing Health Status - 12/27/17 Musculoskeletal System - 03/30/18 Circulatory System - 12/27/17 Diseases of the Nervous System - 01/17/18 Injuries, Poisonings and Complications - 12/06/17	$23,120 $2,997 $2,969 $2,049 $1,043	$ 20,628 / $ 31,816	$33,412
20 SP	56	F	03/10/16 - CM - Closed 07/18/17 - SCR - Closed 07/24/17 - DM - Closed 04/05/18 - UR - Approved	Musculoskeletal System - 03/30/18	$32,747	$ 31,816 / $ 43,755	$33,072
21 SP	36	F	04/04/13 - DM - Closed 03/30/17 - SCR - Closed 09/13/17 - UR - Approved	Diseases of the Digestive System - 03/20/18 Kidney and Urinary Tract - 03/06/18 Female Reproductive System - 02/21/18 Factors Influencing Health Status - 01/23/18 Skin, Subcutaneous Tissue, Breast - 02/21/18 Musculoskeletal System - 03/30/18	$16,334 $7,411 $2,893 $2,008 $2,002 $1,073	$ 31,816 / $ 43,755	$32,952
22 DEP	1	F	08/16/17 - UR - Approved 11/14/17 - CM - Closed	Endocrine, Nutritional, Metabolic - 10/19/17 Injuries, Poisonings and Complications - 08/15/17 Factors Influencing Health Status - 01/04/18	$25,947 $3,849 $2,500	$ 12,353 / $ 14,968	$32,587
23 SP	47	F	09/23/16 - DM - Closed 07/07/17 - SCR - Closed 03/15/18 - UR - Approved 04/04/18 - CM - Closed	Myeloproliferative Diseases - 09/07/17 Skin, Subcutaneous Tissue, Breast - 03/30/18	$20,458 $10,135	$ 43,755 / $ 68,276	$32,183
24 EE	62	F	10/11/16 - SCR - Closed 11/13/17 - UR - Approved 11/21/17 - CM - Closed 01/17/18 - DM - Closed	Endocrine, Nutritional, Metabolic - 03/20/18 Diseases of the Digestive System - 01/10/18 Musculoskeletal System - 03/30/18 Factors Influencing Health Status - 03/06/18 Diseases of the Nervous System - 01/30/18	$11,182 $9,412 $6,360 $2,157 $2,041	$ 68,276 / $ 117,950	$31,737
25 SP	57	F	08/06/12 - DM - Closed 09/06/17 - UR - Approved 09/18/17 - CM - Closed	Musculoskeletal System - 12/19/17	$28,696	$ 12,353 / $ 14,968	$30,268
26 EE	42	M	04/20/15 - DM - Closed 07/13/16 - SCR - Closed 12/15/17 - UR - Approved 04/09/18 - CM - Not Activated	Diseases of the Digestive System - 03/20/18	$28,046	$ 20,628 / $ 31,816	$29,962
27 EE	46	M	03/30/16 - SCR - Closed 01/04/18 - UR - Approved 03/16/18 - DM - Closed 04/05/18 - CM - Active	Musculoskeletal System - 03/30/18	$27,509	$ 12,353 / $ 14,968	$28,764
28 SP	52	F	06/13/17 - SCR - Closed 07/12/17 - DM - Closed 11/03/17 - CM - Closed 11/10/17 - UR - Approved	Mental Diseases and Disorders - 03/06/18 Musculoskeletal System - 12/12/17 Endocrine, Nutritional, Metabolic - 03/20/18 Diseases of the Digestive System - 12/06/17 Factors Influencing Health Status - 03/30/18	$14,558 $4,650 $3,663 $2,787 $1,874	$ 20,628 / $ 31,816	$27,939
29 EE	74	M	04/26/10 - UR - Approved 05/28/10 - CM - Closed 01/12/15 - DM - Closed 03/16/16 - SCR - Closed	Musculoskeletal System - 12/27/17 Circulatory System - 03/30/18 Other - 11/28/17 Endocrine, Nutritional, Metabolic - 10/11/17	$19,783 $3,941 $1,655 $1,344	$ 68,276 / $ 117,950	$27,511

Claimants Over $10,000 Details

REL	Age	Sex	Last MM Activity	MDC/NDC Description -Last Paid Date	MDC-Paid	ERG Annual Low/High*	Total
30 SP	52	F	08/21/15 - UR - Approved 09/14/15 - CM - Closed 03/23/16 - SCR - Closed 12/27/17 - DM - Closed	Diseases of the Nervous System - 12/21/17 Respiratory System - 02/26/18	$23,141 $1,408	$ 31,816 / $ 43,755	$27,083
31 SP	38	F	03/09/17 - DM - Closed 11/07/17 - UR - Approved	Pregnancy, Childbirth, Puerperium - 02/27/18 Diseases of the Nervous System - 01/10/18 Female Reproductive System - 02/27/18	$20,638 $3,924 $1,026	$ 12,353 / $ 14,968	$26,780
32 EE	38	M	03/30/16 - SCR - Closed 04/14/16 - DM - Closed	Diseases of the Digestive System - 01/23/18	$25,631	$ 12,353 / $ 14,968	$25,652
33 DEP	12	M	09/13/17 - CM - Closed 03/05/18 - UR - Denied 04/11/18 - DM - Active	Ear, Nose, Mouth and Throat - 03/06/18 Mental Diseases and Disorders - 03/30/18 Musculoskeletal System - 08/15/17	$21,270 $1,392 $1,154	$ 4,866 / $ 5,714	$24,777
34 EE	61	M	10/29/10 - UR - Approved 02/06/15 - SCR - Closed 11/07/17 - DM - Closed	Musculoskeletal System - 12/15/17 Factors Influencing Health Status - 09/21/17	$22,539 $1,187	$ 8,271 / $ 10,574	$24,451
35 EE	45	M		Musculoskeletal System - 02/21/18 Factors Influencing Health Status - 03/20/18	$12,233 $11,247	$ 14,968 / $ 20,628	$24,319
36 EE	44	F	08/25/11 - SCR - Closed 09/12/11 - DM - Closed 01/31/18 - UR - Approved 02/08/18 - CM - Closed	Diseases of the Digestive System - 03/30/18 Ear, Nose, Mouth and Throat - 01/30/18 Female Reproductive System - 02/27/18	$17,813 $1,536 $1,132	$ 14,968 / $ 20,628	$22,179
37 EE	44	F	06/02/14 - UR - Closed 11/02/16 - SCR - Closed 12/13/16 - DM - Closed	Musculoskeletal System - 03/30/18	$21,109	$ 10,574 / $ 12,353	$22,152
38 EE	52	M	11/09/16 - SCR - Closed 12/13/17 - CM - Closed 02/15/18 - DM - Closed 03/16/18 - UR - Approved	Respiratory System - 03/30/18 Infectious and Parasitic Diseases - 09/13/17 Kidney and Urinary Tract - 09/07/17	$11,894 $6,030 $1,167	$ 43,755 / $ 68,276	$21,571
39 EE	69	F	02/10/12 - DM - Closed 12/28/16 - SCR - Closed	Myeloproliferative Diseases - 03/30/18 Musculoskeletal System - 03/30/18	$18,430 $2,753	$ 68,276 / $ 117,950	$21,534
40 SP	51	F	07/26/16 - SCR - Closed 05/30/17 - DM - Closed 11/03/17 - UR - Approved	Circulatory System - 11/21/17 Endocrine, Nutritional, Metabolic - 02/21/18 Factors Influencing Health Status - 02/13/18 Musculoskeletal System - 03/30/18 Diseases of the Digestive System - 08/10/17	$10,946 $4,599 $1,824 $1,329 $1,259	$ 14,968 / $ 20,628	$21,497
41 EE	32	M	12/08/16 - SCR - Closed 12/22/16 - DM - Closed 01/03/18 - UR - Approved	Diseases of the Digestive System - 02/13/18 Male Reproductive System - 02/13/18	$18,900 $1,859	$ 14,968 / $ 20,628	$21,090
42 EE	55	M	10/30/15 - DM - Closed 08/19/16 - SCR - Closed 09/13/16 - CM - Closed 12/22/16 - UR - Approved	Diseases of the Digestive System - 08/23/17	$21,023	**Termed**	$21,023
43 EE	39	F		Female Reproductive System - 03/20/18 Diseases of the Digestive System - 07/28/17	$19,367 $1,202	$ 12,353 / $ 14,968	$20,971
44 EE	57	M	04/14/10 - UR - Approved 06/29/10 - SCR - Closed	Musculoskeletal System - 03/20/18	$19,745	$ 8,271 / $ 10,574	$20,370
45 EE	45	M	07/29/16 - SCR - Closed 06/14/17 - UR - Approved	Diseases of the Digestive System - 03/30/18 Ear, Nose, Mouth and Throat - 03/20/18	$17,770 $1,237	$ 14,968 / $ 20,628	$20,069
46 EE	61	F	03/01/17 - SCR - Closed 06/01/17 - UR - Approved	Musculoskeletal System - 03/20/18	$17,661	$ 14,968 / $ 20,628	$19,317
47 SP	42	F	05/12/11 - DM - Closed 04/25/16 - SCR - Closed 01/17/18 - UR - Approved	Female Reproductive System - 03/30/18 Mental Diseases and Disorders - 03/30/18 Diseases of the Nervous System - 03/14/18 Musculoskeletal System - 03/20/18 Diseases of the Digestive System - 03/30/18 Kidney and Urinary Tract - 03/14/18 Factors Influencing Health Status - 02/27/18	$7,674 $3,702 $1,615 $1,479 $1,448 $1,238 $1,008	$ 14,968 / $ 20,628	$18,268
48 EE	48	F	10/20/17 - DM - Closed 12/11/17 - UR - Approved	Ear, Nose, Mouth and Throat - 03/06/18 Endocrine, Nutritional, Metabolic - 02/21/18 Diseases of the Digestive System - 10/19/17	$10,517 $3,610 $2,477	$ 12,353 / $ 14,968	$17,827

Claimants Over $10,000 Details

REL	Age	Sex	Last MM Activity	MDC/NDC Description -Last Paid Date	MDC-Paid	ERG Annual Low/High*	Total
49 SP	53	F	03/20/15 - DM - Closed 06/02/16 - SCR - Closed 10/16/17 - CM - Closed 11/22/17 - UR - Approved	Musculoskeletal System - 03/30/18	$16,960	$ 20,628 / $ 31,816	$17,815
50 SP	46	F		Female Reproductive System - 10/19/17	$16,816	$ 3,642 / $ 4,192	$17,332
51 EE	64	F	04/03/17 - SCR - Closed 12/14/17 - DM - Closed 04/11/18 - UR - Approved	Circulatory System - 02/21/18 Musculoskeletal System - 09/26/17	$13,525 $1,154	$ 20,628 / $ 31,816	$16,920
52 EE	47	M	03/18/10 - UR - Approved	Musculoskeletal System - 03/14/18 Circulatory System - 02/13/18	$13,371 $2,335	$ 10,574 / $ 12,353	$16,212
53 EE	43	F	01/15/15 - SCR - Closed 08/22/17 - CM - Closed 10/13/17 - UR - Closed	Factors Influencing Health Status - 03/30/18 Female Reproductive System - 11/17/17	$13,762 $1,656	$ 12,353 / $ 14,968	$15,818
54 SP	39	F	09/06/13 - CM - Closed 07/01/15 - SCR - Closed 09/11/17 - UR - Approved 01/26/18 - DM - Closed	Pregnancy, Childbirth, Puerperium - 10/13/17	$14,156	$ 5,714 / $ 6,798	$15,743
55 EE	57	M		Alcohol/Drug Use - 01/17/18 Circulatory System - 12/19/17 Ear, Nose, Mouth and Throat - 01/17/18 Diseases of the Digestive System - 01/30/18 Mental Diseases and Disorders - 12/12/17	$7,512 $1,557 $1,536 $1,054 $1,006	$ 14,968 / $ 20,628	$15,678
56 EE	66	M	11/03/16 - SCR - Closed 03/15/18 - UR - Partial Appr 04/02/18 - DM - Active	Diseases of the Nervous System - 03/20/18 Skin, Subcutaneous Tissue, Breast - 11/17/17	$13,823 $1,558	$ 8,271 / $ 10,574	$15,618
57 DEP	21	F	05/23/17 - SCR - Closed 06/23/17 - DM - Closed	Alcohol/Drug Use - 03/14/18 Mental Diseases and Disorders - 03/20/18	$13,957 $1,473	$ 14,968 / $ 20,628	$15,551
58 EE	65	M	01/28/13 - SCR - Closed 02/11/13 - DM - Closed 07/06/17 - UR - Approved	Hepatobiliary System and Pancreas - 01/10/18 Factors Influencing Health Status - 03/30/18	$13,943 $1,226	$ 12,353 / $ 14,968	$15,503
59 EE	72	F	12/29/17 - UR - Approved	Diseases and Disorders of the Eye - 03/14/18 Respiratory System - 03/20/18	$8,336 $6,195	$ 14,968 / $ 20,628	$14,985
60 EE	54	F	06/10/14 - SCR - Closed 11/13/17 - UR - Approved 11/22/17 - CM - Closed	Hepatobiliary System and Pancreas - 11/28/17 Endocrine, Nutritional, Metabolic - 03/06/18 Diseases of the Digestive System - 03/30/18	$9,219 $3,222 $1,293	$ 20,628 / $ 31,816	$14,899
61 EE	60	F	11/10/16 - CM - Closed 01/30/17 - SCR - Closed 08/28/17 - UR - Closed 03/07/18 - DM - Closed	Endocrine, Nutritional, Metabolic - 02/27/18	$12,257	$ 43,755 / $ 68,276	$14,845
62 EE	74	F	11/28/11 - DM - Closed 07/15/13 - CM - Closed 02/08/17 - SCR - Closed	Diseases of the Nervous System - 03/14/18 Diseases and Disorders of the Eye - 10/31/17	$12,301 $1,700	$ 20,628 / $ 31,816	$14,659
63 SP	32	F	08/15/17 - UR - Approved	Pregnancy, Childbirth, Puerperium - 01/10/18	$14,185	$ 1,492 / $ 1,800	$14,579
64 DEP	25	F	05/20/14 - DM - Closed 02/01/16 - SCR - Closed 02/01/16 - UR - Approved 02/18/16 - CM - Closed	Female Reproductive System - 09/26/17 Diseases of the Digestive System - 03/14/18	$7,769 $3,750	$ 20,628 / $ 31,816	$14,483
65 EE	54	M	06/11/15 - SCR - Closed 08/18/15 - DM - Closed 04/27/17 - UR - Approved	Kidney and Urinary Tract - 03/30/18	$12,580	$ 20,628 / $ 31,816	$13,957
66 DEP	13	M	10/02/17 - UR - Approved	Mental Diseases and Disorders - 11/17/17	$13,782	$ 5,714 / $ 6,798	$13,829
67 EE	62	M	07/05/13 - SCR - Closed 08/13/13 - DM - Closed 07/14/17 - UR - Approved	Kidney and Urinary Tract - 01/30/18 Circulatory System - 03/30/18 Skin, Subcutaneous Tissue, Breast - 01/04/18	$9,407 $1,677 $1,205	$ 14,968 / $ 20,628	$13,778
68 SP	35	F	12/08/17 - UR - Approved	Pregnancy, Childbirth, Puerperium - 01/04/18	$13,137	$ 1,172 / $ 1,368	$13,473
69 EE	69	M	04/09/13 - CM - Closed 01/14/14 - DM - Closed 04/26/16 - SCR - Closed 09/25/17 - UR - Approved	Musculoskeletal System - 03/20/18 Diseases of the Nervous System - 03/30/18	$10,895 $1,288	$ 31,816 / $ 43,755	$13,207

Claimants Over $10,000 Details

REL	Age	Sex	Last MM Activity	MDC/NDC Description -Last Paid Date	MDC-Paid	ERG Annual Low/High*	Total
70 EE	81	M	04/15/11 - DM - Closed 07/31/14 - SCR - Closed 09/21/15 - CM - Closed 11/04/16 - UR - Closed	Kidney and Urinary Tract - 03/06/18 Diseases of the Nervous System - 12/06/17 Endocrine, Nutritional, Metabolic - 11/21/17	$6,550 $3,041 $1,338	$ 117,950 / $ 250,000	$13,182
71 SP	37	F	11/30/17 - CM - Closed	Factors Influencing Health Status - 03/30/18 Female Reproductive System - 02/13/18	$9,259 $3,355	$ 10,574 / $ 12,353	$12,614
72 EE	63	F	07/19/16 - SCR - Closed 12/07/16 - CM - Closed 04/24/17 - UR - Approved 10/05/17 - DM - Closed	Skin, Subcutaneous Tissue, Breast - 03/08/18 Musculoskeletal System - 03/20/18	$9,876 $2,499	$ 31,816 / $ 43,755	$12,563
73 EE	42	M	03/23/16 - SCR - Closed 10/31/17 - UR - Approved 01/24/18 - DM - Closed	Diseases of the Digestive System - 03/20/18 Factors Influencing Health Status - 02/27/18	$9,633 $1,239	$ 14,968 / $ 20,628	$12,559
74 EE	45	F	11/06/15 - UR - Approved 05/17/17 - SCR - Closed	Mental Diseases and Disorders - 03/30/18 Musculoskeletal System - 02/07/18	$9,956 $1,064	$ 12,353 / $ 14,968	$12,330
75 SP	31	F	06/02/14 - SCR - Closed 06/03/14 - UR - Approved 06/18/14 - DM - Closed	Pregnancy, Childbirth, Puerperium - 03/30/18	$10,583	$ 14,968 / $ 20,628	$12,133
76 EE	50	M	12/11/12 - UR - Approved 02/01/13 - DM - Closed 06/11/15 - SCR - Closed 10/13/17 - CM - Closed	Diseases of the Digestive System - 08/15/17 Diseases of the Nervous System - 09/13/17 Circulatory System - 11/21/17	$9,193 $1,193 $1,102	$ 20,628 / $ 31,816	$11,814
77 EE	48	F		Musculoskeletal System - 03/30/18 Circulatory System - 03/30/18	$9,923 $1,176	$ 8,271 / $ 10,574	$11,597
78 SP	49	F	10/05/16 - SCR - Closed 11/04/16 - CM - Closed 11/04/16 - UR - Approved 01/24/18 - DM - Closed	Musculoskeletal System - 03/20/18 Mental Diseases and Disorders - 03/20/18	$8,295 $1,807	$ 14,968 / $ 20,628	$11,546
79 EE	52	M	12/05/16 - UR - Approved 02/07/17 - SCR - Closed 03/09/17 - DM - Closed	Musculoskeletal System - 10/31/17	$10,947	**Termed**	$11,439
80 EE	56	M	11/03/17 - UR - Approved	Diseases of the Digestive System - 09/07/17 Respiratory System - 01/23/18	$6,729 $4,236	$ 10,574 / $ 12,353	$11,380
81 EE	44	M	08/22/17 - UR - Approved	Skin, Subcutaneous Tissue, Breast - 03/30/18 Musculoskeletal System - 03/20/18	$9,310 $1,551	$ 8,271 / $ 10,574	$11,272
82 SP	56	F	03/18/10 - CM - Closed 08/28/12 - UR - Approved 03/17/16 - SCR - Closed 08/31/17 - DM - Closed	Diseases of the Digestive System - 02/13/18 Factors Influencing Health Status - 03/30/18 Diseases of the Nervous System - 03/20/18 Mental Diseases and Disorders - 03/14/18 Musculoskeletal System - 03/30/18	$3,938 $1,901 $1,553 $1,518 $1,148	$ 31,816 / $ 43,755	$11,194
83 EE	48	M	07/22/10 - UR - Approved 07/29/10 - CM - Closed 08/31/10 - SCR - Closed	Ear, Nose, Mouth and Throat - 01/10/18 Skin, Subcutaneous Tissue, Breast - 02/13/18 Injuries, Poisonings and Complications - 02/13/18	$5,189 $3,327 $1,582	$ 14,968 / $ 20,628	$11,030
84 DEP	14	M		Diseases of the Digestive System - 02/13/18	$9,828	$ 8,271 / $ 10,574	$10,964
85 EE	39	M	03/18/16 - SCR - Closed 04/01/16 - DM - Closed 05/26/16 - UR - Approved	Diseases of the Nervous System - 03/20/18 Diseases of the Digestive System - 03/14/18	$7,765 $2,737	$ 6,798 / $ 8,271	$10,804
86 DEP	21	F	01/24/14 - DM - Closed 12/05/16 - SCR - Closed 12/30/16 - CM - Closed 07/17/17 - UR - Approved	Mental Diseases and Disorders - 03/26/18 Factors Influencing Health Status - 03/15/18 Ear, Nose, Mouth and Throat - 03/02/18	$6,941 $2,095 $1,193	$ 5,714 / $ 6,798	$10,801
87 SP	55	F	08/18/17 - CM - Closed	Female Reproductive System - 03/20/18 Circulatory System - 01/04/18 Diseases of the Nervous System - 02/27/18	$6,857 $1,621 $1,395	$ 31,816 / $ 43,755	$10,764
88 SP	31	M		Diseases of the Digestive System - 10/31/17	$9,303	$ 2,059 / $ 2,426	$10,556
89 DEP	16	F	02/27/18 - UR - Approved 03/07/18 - CM - Closed	Mental Diseases and Disorders - 03/14/18 Injuries, Poisonings and Complications - 03/06/18	$12,764 $1,334	$ 6,798 / $ 8,271	$10,384
90 EE	33	F	09/15/17 - UR - Approved	Pregnancy, Childbirth, Puerperium - 10/13/17	$9,504	**Termed**	$10,107
				Totals for those over $10,000			**$3,290,082**

Presented by:

Larry Ulvila & Pam Nickerson

Revision date: April 18, 2018

City of Annapolis ~ Flexible Employee Benefits Program

PY2018 Price Tag Projections - Active Employees
Summary - Cost Share Splits - ER & EE

Current Total Cost with Enrollment as of 1.15.18 vs. Projected with 8% Increase Medical, 5% Dental, 0% Vision

	Employee Only	Dependent Tiers	Total Costs Active	Employee Share	City's Share	Projected 8% Increase - City's Share
PY2017 - Current	20%	20%	$10,027,239	$2,005,448	$8,021,791	
PY2018 - Projected	20%	20%	$10,812,519	$2,162,504	$8,650,015	**$628,224**

Projected Total Cost @ 8% Increase with Enrollment as of 1.15.18

	Employee Only	Dependent Tiers	Total Costs Active	Employee Share	City's Share	Savings to City Current Cost Share w/8% Increase Medical, 5% Dental vs. Scenarios
PY2017 - Current	20%	20%	$10,812,519	$2,162,504	$8,650,015	
Scenario 1	25%	25%	$10,812,519	$2,703,130	$8,109,389	$540,626
Scenario 2	30%	30%	$10,812,519	$3,243,756	$7,568,763	$1,081,252
Scenario 3	20%	30%	$10,812,519	$3,122,803	$7,689,716	$960,299
Scenario 4	20%	35%	$10,812,519	$3,602,952	$7,209,567	$1,440,448
Scenario 5	20%	25%	$10,812,519	$2,642,653	$8,169,866	$480,149
Scenario 6	10%	30%	$10,812,519	$3,001,850	$7,810,669	$839,346
Scenario 7	20%	20%	$10,812,519	$3,567,156	$7,245,363	$1,404,652
(80/20 on HDHP & CORE employees buy-up from CORE to EPO or PLUS)						

Prepared by: Insurance Solutions

City of Annapolis
Employee Per Pay Cost - PY2018 Projections w/8% Increase Medical, 5% Dental, 0% Vision

	PY2017 Current	PY2018 Projected	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5	Scenario 6	Scenario 7
EE Only	EE 20/ER 80	EE 20/ER 80	EE 25/ER 75	EE 30/ER 70	EE 20/ER 80	EE 20/ER 80	EE 20/ER 80	EE 10/ER 90	Core @ 80/20
Dep Tiers	EE 20/ER 80	EE 20/ER 80	EE 25/ER 75	EE 30/ER 70	EE 30/ER 70	EE 35/ER 65	EE 25/ER 75	EE 30/ER 70	EE's Buy-up
Medical HDHP									
EE Only	$39.55	$42.71	$53.39	$64.07	$42.71	$42.71	$42.71	$21.36	$42.71
EE/Children	$78.58	$84.87	$106.09	$127.30	$127.30	$148.52	$106.09	$127.30	$84.87
EE/Spouse	$108.51	$117.19	$146.49	$175.78	$175.78	$205.08	$146.49	$175.78	$117.19
Family	$125.72	$135.78	$169.72	$203.67	$203.67	$237.61	$169.72	$203.67	$135.78
Medical EPO									
EE Only	$68.26	$73.73	$92.16	$110.59	$73.73	$73.73	$73.73	$36.86	$96.16
EE/Children	$135.88	$146.75	$183.44	$220.12	$220.12	$256.81	$183.44	$220.12	$189.49
EE/Spouse	$186.17	$201.06	$251.33	$301.60	$301.60	$351.86	$251.33	$301.60	$257.89
Family	$204.31	$220.66	$275.82	$330.99	$330.99	$386.15	$275.82	$330.99	$292.88
Medical Core									
EE Only	$63.07	$68.12	$85.15	$102.18	$68.12	$68.12	$68.12	$34.06	$68.12
EE/Children	$125.98	$136.06	$170.08	$204.09	$204.09	$238.11	$170.08	$204.09	$136.06
EE/Spouse	$173.02	$186.86	$233.57	$280.28	$280.28	$327.00	$233.57	$280.28	$186.86
Family	$187.60	$202.60	$253.26	$303.91	$303.91	$354.56	$253.26	$303.91	$202.60
Medical Plus									
EE Only	$73.44	$79.31	$99.14	$118.97	$79.31	$79.31	$79.31	$39.66	$124.08
EE/Children	$146.78	$158.52	$198.15	$237.78	$237.78	$277.41	$198.15	$237.78	$248.36
EE/Spouse	$210.63	$227.48	$284.35	$341.22	$341.22	$398.09	$284.35	$341.22	$389.98
Family	$229.68	$248.06	$310.07	$372.08	$372.08	$434.10	$310.07	$372.08	$429.86
Dental Core									
EE Only	$1.74	$1.83	$2.29	$2.75	$1.83	$1.83	$1.83	$0.92	$1.83
EE/Children	$3.25	$3.41	$4.26	$5.12	$5.12	$5.97	$4.26	$5.12	$3.41
EE/Spouse	$3.25	$3.41	$4.26	$5.12	$5.12	$5.97	$4.26	$5.12	$3.41
Family	$4.81	$5.05	$6.32	$7.58	$7.58	$8.84	$6.32	$7.58	$5.05
Dental Plus									
EE Only	$2.92	$3.07	$3.83	$4.60	$3.07	$3.07	$3.07	$1.53	$8.01
EE/Children	$4.57	$4.80	$6.00	$7.20	$7.20	$8.40	$6.00	$7.20	$10.36
EE/Spouse	$6.34	$6.66	$8.32	$9.99	$9.99	$11.65	$8.32	$9.99	$19.64
Family	$8.49	$8.91	$11.14	$13.37	$13.37	$15.60	$11.14	$13.37	$24.36
Vision Core									
EE Only	$0.58	$0.58	$0.73	$0.87	$0.58	$0.58	$0.58	$0.29	$0.58
EE/Children	$1.25	$1.25	$1.56	$1.88	$1.88	$2.19	$1.56	$1.88	$1.25
EE/Spouse	$1.25	$1.25	$1.56	$1.88	$1.88	$2.19	$1.56	$1.88	$1.25
Family	$1.25	$1.25	$1.56	$1.88	$1.88	$2.19	$1.56	$1.88	$1.25
Vision Plus									
EE Only	$0.77	$0.77	$0.96	$1.15	$0.77	$0.77	$0.77	$0.38	$1.53
EE/Children	$1.66	$1.66	$2.07	$2.48	$2.48	$2.90	$2.07	$2.48	$3.28
EE/Spouse	$1.66	$1.66	$2.07	$2.48	$2.48	$2.90	$2.07	$2.48	$3.28
Family	$1.66	$1.66	$2.07	$2.48	$2.48	$2.90	$2.07	$2.48	$3.28

Prepared by: Insurance Solutions

City of Annapolis
Employee Annual Cost - PY2018 Projections w/8% Increase Medical, 5% Dental, 0% Vision

	PY2017 Current	PY2018 Projected	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5	Scenario 6	Scenario 7
EE Only	EE 20/ER 80	EE 20/ER 80	EE 25/ER 75	EE 30/ER 70	EE 20/ER 80	EE 20/ER 80	EE 20/ER 80	EE 10/ER 90	Core @ 80/20
Dep Tiers	EE 20/ER 80	EE 20/ER 80	EE 25/ER 75	EE 30/ER 70	EE 30/ER 70	EE 35/ER 65	EE 25/ER 75	EE 30/ER 70	EE's Buy-up
Medical HDHP									
EE Only	$1,028	$1,111	$1,388	$1,666	$1,111	$1,111	$1,111	$555	$1,111
EE/Children	$2,043	$2,207	$2,758	$3,310	$3,310	$3,862	$2,758	$3,310	$2,207
EE/Spouse	$2,821	$3,047	$3,809	$4,570	$4,570	$5,332	$3,809	$4,570	$3,047
Family	$3,269	$3,530	$4,413	$5,295	$5,295	$6,178	$4,413	$5,295	$3,530
Medical EPO									
EE Only	$1,775	$1,917	$2,396	$2,875	$1,917	$1,917	$1,917	$958	$2,500
EE/Children	$3,533	$3,815	$4,769	$5,723	$5,723	$6,677	$4,769	$5,723	$4,927
EE/Spouse	$4,840	$5,228	$6,535	$7,841	$7,841	$9,148	$6,535	$7,841	$6,705
Family	$5,312	$5,737	$7,171	$8,606	$8,606	$10,040	$7,171	$8,606	$7,615
Medical Core									
EE Only	$1,640	$1,771	$2,214	$2,657	$1,771	$1,771	$1,771	$886	$1,771
EE/Children	$3,276	$3,538	$4,422	$5,306	$5,306	$6,191	$4,422	$5,306	$3,538
EE/Spouse	$4,498	$4,858	$6,073	$7,287	$7,287	$8,502	$6,073	$7,287	$4,858
Family	$4,878	$5,268	$6,585	$7,902	$7,902	$9,219	$6,585	$7,902	$5,268
Medical Plus									
EE Only	$1,909	$2,062	$2,578	$3,093	$2,062	$2,062	$2,062	$1,031	$3,226
EE/Children	$3,816	$4,122	$5,152	$6,182	$6,182	$7,213	$5,152	$6,182	$6,457
EE/Spouse	$5,476	$5,915	$7,393	$8,872	$8,872	$10,350	$7,393	$8,872	$10,140
Family	$5,972	$6,449	$8,062	$9,674	$9,674	$11,287	$8,062	$9,674	$11,176
Dental Core									
EE Only	$45	$48	$60	$71	$48	$48	$48	$24	$48
EE/Children	$84	$89	$111	$133	$133	$155	$111	$133	$89
EE/Spouse	$84	$89	$111	$133	$133	$155	$111	$133	$89
Family	$125	$131	$164	$197	$197	$230	$164	$197	$131
Dental Plus									
EE Only	$76	$80	$100	$120	$80	$80	$80	$40	$208
EE/Children	$119	$125	$156	$187	$187	$218	$156	$187	$269
EE/Spouse	$165	$173	$216	$260	$260	$303	$216	$260	$511
Family	$221	$232	$290	$348	$348	$406	$290	$348	$633
Vision Core									
EE Only	$15	$15	$19	$23	$15	$15	$15	$8	$15
EE/Children	$33	$33	$41	$49	$49	$57	$41	$49	$33
EE/Spouse	$33	$33	$41	$49	$49	$57	$41	$49	$33
Family	$33	$33	$41	$49	$49	$57	$41	$49	$33
Vision Plus									
EE Only	$20	$20	$25	$30	$20	$20	$20	$10	$40
EE/Children	$43	$43	$54	$65	$65	$75	$54	$65	$85
EE/Spouse	$43	$43	$54	$65	$65	$75	$54	$65	$85
Family	$43	$43	$54	$65	$65	$75	$54	$65	$85

Prepared by: Insurance Solutions

City of Annapolis ~ Flexible Employee Benefits Program

Price Tag PY2018 Projections

Premium: 8% Increase Medical, 5% Dental, 0% Vision

Cost Share - Scenario 7: HDHP & CORE @ 20/80 - EEs buy-up from CORE to EPO or PLUS

(Cost are shown on a MONTHLY Basis)

ACTIVE ONLY

Medical Plan	Enroll-ment *	Monthly Costs Individual	Enroll-ment *	Monthly Costs Individual + Child	Enroll-ment *	Monthly Costs Individual + Adult	Enroll-ment *	Monthly Costs Family
Medical HDHP - Active	3	$462.72	1	$919.41	4	$1,269.55	7	$1,470.93
Medical EPO - Active	9	$798.69	3	$1,589.77	10	$2,178.19	19	$2,390.48
Medical Core - Active	13	$737.94	1	$1,474.02	9	$2,024.28	9	$2,194.88
Medical Plus - Active	91	$859.19	26	$1,717.33	56	$2,464.39	170	$2,687.28
Dental Core - Active	13	$19.85	0	$36.95	5	$36.95	11	$54.74
Dental Plus - Active	98	$33.22	31	$52.02	79	$72.11	200	$96.57
Vision Core - Active	13	$6.29	0	$13.55	11	$13.55	5	$13.55
Vision Plus - Active	101	$8.34	31	$17.94	63	$17.94	208	$17.94
Annual Costs by Coverage Level		$1,209,530		$647,784		$2,282,943		$6,672,263
Total Annual Costs								$10,812,519

Monthly Premium Splits

Monthly EE/ER Breakdown		Individual EE	Individual ER		Individual + Child EE	Individual + Child ER		Individual + Adult EE	Individual + Adult ER		Family EE	Family ER
Medical HDHP - Active	3	$92.54	$370.17	1	$183.88	$735.53	4	$253.91	$1,015.64	7	$294.19	$1,176.74
Medical EPO - Active	9	$208.34	$590.35	3	$410.56	$1,179.21	10	$558.77	$1,619.42	19	$634.58	$1,755.91
Medical Core - Active	13	$147.59	$590.35	1	$294.80	$1,179.21	9	$404.86	$1,619.42	9	$438.98	$1,755.91
Medical Plus - Active	91	$268.84	$590.35	26	$538.12	$1,179.21	56	$844.97	$1,619.42	170	$931.37	$1,755.91
Dental Core - Active	13	$3.97	$15.88	0	$7.39	$29.56	5	$7.39	$29.56	11	$10.95	$43.79
Dental Plus - Active	98	$17.35	$15.88	31	$22.46	$29.56	79	$42.55	$29.56	200	$52.78	$43.79
Vision Core - Active	13	$1.26	$5.03	0	$2.71	$10.84	11	$2.71	$10.84	5	$2.71	$10.84
Vision Plus - Active	101	$3.31	$5.03	31	$7.10	$10.84	63	$7.10	$10.84	208	$7.10	$10.84
Total Monthly		$30,638	$70,156		$16,618	$37,364		$61,441	$128,804		$188,567	$367,455
Annual Costs		EE	$3,567,156					ER	$7,245,363			
Total Annual Costs		EE + ER Share			$10,812,519							

* Enrollment as of 1.15.18

Prepared by: Insurance Solutions

CITY OF ANNAPOLIS

POLICE AND FIRE RETIREMENT PLAN

ACTUARIAL VALUATION

AS OF JULY 1, 2017

January, 2018

BOOMERSHINE CONSULTING GROUP, L.L.C.

ACTUARIAL, RETIREMENT PLAN AND BENEFIT COMMUNICATION SOLUTIONS

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EXECUTIVE SUMMARY

January 31, 2018

Board of Trustees
City of Annapolis
Police and Fire Retirement Plan
Municipal Building
Annapolis, Maryland 21401

Dear Members of the Board of Trustees:

The following report sets forth the Actuarial Valuation of the *City of Annapolis- Police and Fire Retirement Plan* (Plan) as of July 1, 2017 for the Plan Year July 1, 2017 through June 30, 2018. The report is based on participant data as of July 1, 2017 as submitted by the personnel department of the City. Asset data as of June 30, 2017 was submitted by the City. We relied on this information without auditing it.

INVESTMENT PERFORMANCE

The Market Value of Plan Assets for the plan year ending June 30, 2017 was $168,762,728. The total yield of the fund for the plan year ending June 30, 2017 was approximately 11.64% on the market value and 6.92% on an actuarial (smoothed value) basis.

The Plan uses an asset smoothing method to determine the City's Contributions. Under this method, the actuarial asset value is the expected actuarial asset value developed from the prior valuation, plus one-third of the difference between the actual Market Value of Assets and the expected Actuarial Value of Assets. Details of the development of the Actuarial Asset value are shown on page 8.

CHANGES IN ASSUMPTIONS AND METHODS

There have been no changes in assumptions since the 2016 valuation, other than the change in the actuarial firm and the software used. We computed the prior valuation figures to confirm that there was not a material impact on actuarial liabilities and costs from this change.

FUNDING RECOMMENDATIONS

The total recommended contribution for the plan year ending June 30, 2018 is $3,814,198 (20.27% of payroll). Last year the total recommended City contribution calculated for the period ending June 30, 2016 was $3,818,665 (20.92% of payroll).
The decrease in contribution is due to actuarial gain from demographics and cost of living increase less than the assumed.

Following the funding methods described herein, along with regular contributions at the recommended levels, will ensure funding progress and benefit security.
Contributions are expected to gradually increase over the next few decades as the unfunded liability is amortized.

The calculated City contribution rate developed in this valuation is developed as a benchmark to evaluate the sufficiency of the current City contribution rate of 18%. The calculated rate is developed

to provide the funding necessary for the additional benefits being accrued for that year by actives while also paying down the Plan's unfunded liabilities over a closed amortization period with 27 years remaining as of July 1, 2017.

The calculated City contribution based on this funding policy for FYE 2018 is 20.27% of payroll, net of the current member contributions. This calculated benchmark is 2.27% greater than the current City contribution rate of 18%. This gap means the contributions expected to be paid into the Plan for FYE 2018 will have 2.27% of payroll less available to pay down the existing unfunded liabilities of the Plan than the amount needed to meet the benchmark funding targets

FUNDING PROGRESS

The Actuarial Accrued Liability as of July 1, 2017 is $191,861,734 compared to the Actuarial Value of Assets of $170,665,309, resulting in a funded ratio of 89.0%. The ratio using the market value of assets is 88.0%.

The Present Value of Accumulated Plan Benefits as of July 1, 2017 is $184,691,565, compared to the Market Value of Assets of $168,762,728, resulting in a funded ratio of 91.4% on this basis.

This report represents information related to funding only. Information pertaining to GASB 67 and 68 is included in a separate report.

This report was prepared in accordance with generally accepted actuarial principles and practices. In the opinion of the City and its actuaries, the actuarial assumptions used are reasonably related to Plan experience and expectations, and represent the best estimate of anticipated Plan experience.

The undersigned are members of the American Academy of Actuaries and are qualified to render the actuarial opinions presented in this report.

Respectfully submitted,
BOOMERSHINE CONSULTING GROUP, L.L.C.

David S. Boomershine, EA, FCA, MAAA, MSPA

Gregory M. Stump, FSA, EA, MAAA, FCA

Sunita K. Bhatia, EA, ASA, ACA, MAAA

PLAN ASSET INFORMATION

TRUST FUND STATEMENT

Market Value of Assets as of July 1, 2016*			$157,711,531
Adjustment			(472,767)
Final Market Value as of July 1, 2016**			157,238,764
Receipts:			
City Contributions	3,430,989		
Member Contributions	1,445,592		
Investment Returns	17,937,646		
Total Receipts		$22,814,227	
Disbursements:			
Distributions to Participants/ Beneficiaries	11,222,586		
Expenses	67,677		
Total Disbursements		$11,290,263	
Net Increase/(Decrease) in Plan Assets			$11,523,964
Market Value of Fund as of June 30, 2017			$168,762,728

* *From July 1, 2016 Actuarial Valuation Report*

** *As per City's June 30, 2016 CAFR*

SUMMARY OF PLAN ASSETS AS OF JUNE 30, 2017

	Market Value	%
Loomis Sayles Large Cap Growth	$24,048,063	14.3%
Edgar Lomax - Large Cap Equity	15,675,328	9.3%
Affinity Investment Advisors - Mid Cap Equity	3,269,081	1.9%
Cooke & Bieler - Midcap Equity	6,601,384	3.9%
Loomis Sayles Small Cap	5,927,353	3.5%
Wellington Global Opportunities	24,423,178	14.5%
Aberdeen Emerging Mkt. Inst'l. Fd. (ABEMX)	8,967,220	5.3%
UBS - Trumbull Property Fund	4,668,746	2.8%
UBS - Trumbull Property Income Fund	4,814,488	2.9%
Goldman Sachs Commodity Opportunities Fund Offshore, Ltd	3,071,130	1.8%
Grosvenor Institutional Partners, L.P.	15,408,534	9.1%
Lighthouse Global Long/Short Equity Limited Class A	8,751,585	5.2%
Lazard Core Fixed Income	19,596,617	11.6%
Goldman Sachs Strategic Inc. Fd. (GSZIX)	6,325,189	3.8%
Garcia Hamilton Fixed Income	5,294,775	3.1%
EnTrust Capital Special Opportunities Fund II	4,421,415	2.6%
EnTrust Capital Special Opportunities Fund III	2,032,123	1.2%
Crescent Mezzanine Partners VII, L.P.	695,659	0.4%
Oaktree Real Estate Debt Fund II, L.P.	190,190	0.1%
Total Cash	4,580,670	2.7%
Total Fund Composite	$168,762,728	100.0%

Estimated Rate of Return on Market Value of Assets: 11.64%

DEVELOPMENT OF ACTUARIAL VALUE OF ASSETS

1.	Actuarial Value of Assets as of July 1, 2016	$165,829,252
	Plus: Contributions	4,876,581
	Less: Benefit Payments and Expenses	11,290,263
	Plus: Expected Return at 7.50%	12,201,029
2.	Expected Actuarial Value of Assets as of June 30, 2017	$171,616,599
3.	Actual Market Value of Assets as of June 30, 2017	$168,762,728
4.	Gain/(Loss) for Plan Year 2016-17 [(3) – (2)]	(2,853,871)
5.	Recognized Gain/(Loss) [one-third of (4)]	(951,290)
6.	Actuarial Value of Assets July 1, 2017 [(2) + (5)]	$170,665,309
	as % of Market Value of Assets	101.1%

Estimated Rate of Return on Actuarial Value of Assets from July 1, 2016 to July 1, 2017: 6.92%

PARTICIPANT SUMMARY

CHANGES IN PLAN POPULATION

	Active Participants	DROP	Terminated Vested	Disabled	Retired	QDRO/ Survivors	Inactive	Total
Participants as of July 1, 2016	210	16	2	45	141	35	30	479
New Entrants/QDRO	43					2		45
Paid Out	(4)						(2)	(6)
Death with no beneficiary					(1)	(3)		(4)
Terminated – vested								0
Terminated – not vested	(8)						8	0
Entered DROP	(2)	2						0
Retired	(6)	(8)			14			0
Disabled	(1)			1				0
Death with beneficiary				(3)	(1)	4		0
Data corrections							3	3
Participants as of July 1, 2017	232	10	2	43	153	38	39	517

ACTIVE MEMBER STATISTICS

	July 1, 2016	July 1, 2017
New Plan Revised (Pre 2012 Hires)		
Currently Eligible to Retire	21	22
Not Currently Eligible to Retire	156	143
Average Projected Pay	$83,264	$85,898
Average Age	41	41.4
Average Service	12	13.3
New Plan Revised (Post 2012 Hires)		
Currently Eligible to Retire	0	0
Not Currently Eligible to Retire	33	67
Average Projected Pay	$56,247	$53,549
Average Age	36	33.5
Average Service	2	1.6
Total Active Employees		
Currently Eligible to Retire	21	22
Not Currently Eligible to Retire	189	210
Average Projected Pay	$79,018	$76,556
Average Age	40	39.1
Average Service	11	9.9
DROP Participants		
Counts	16	10
Average Projected Pay	$103,916	$106,023
Average Age	52	51.8
Average Service	26	27.1

INACTIVE MEMBER STATISTICS

	July 1, 2016	July 1, 2017
Service Retirement		
Count	141	153
Total Annual Benefit	$7,369,081	$8,292,550
Annuitized Annual Benefit	$213,047	$213,047
Net Payable from Plan Assets	$7,156,034	$8,079,503
Average Age	64	63.7
Disabilities		
Count	45	43
Total Annual Benefit	$1,684,877	$1,658,858
Annuitized Annual Benefit	$153,306	$135,768
Net Payable from Plan Assets	$1,531,571	$1,523,090
Average Age	65	64.6
Beneficiaries*		
Count	35	38
Total Annual Benefit	$764,850	$863,124
Annuitized Annual Benefit	$59,853	$50,700
Net Payable from Plan Assets	$704,997	$812,424
Average Age	68	67.1
Total Receiving Benefits		
Count	221	234
Total Annual Benefit	$9,818,818	$10,814,532
Annuitized Annual Benefit	$426,206	$399,515
Net Payable from Plan Assets	$9,392,612	$10,415,017
Average Age	65	64.4
Terminated Vested		
Count	2	2
Average Age	45	46.2
Inactives		
Count	30	39
Return of Member Contributions	$129,234	$113,831

**includes QDRO*

DISTRIBUTION OF ACTIVE PARTICIPANTS AND AVERAGE COMPENSATION

Active Counts by Age/Service											
Nearest	-----Completed Years of Service from Date of Hire-----										
Age	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up	Total
20 to 24	7										7
25 to 29	14	8	5								27
30 to 34	6	9	16	15							46
35 to 39	5	6	13	22	6	1					53
40 to 44	1	3	4	11	18	4					41
45 to 49	1	3	4	8	4	11					31
50 to 54	1	3	8	1	4	3	2				22
55 to 59			3		1	1					5
60 to 64											0
65 to 69											0
70 & up											0
Total	35	32	53	57	33	20	2	0	0	0	232

Active Average Salary by Age/Service											
Nearest	-----Completed Years of Service from Date of Hire-----										
Age	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up	Total
20 to 24	45,653										45,653
25 to 29	45,706	56,825	75,403								54,500
30 to 34	53,064	61,158	73,923	77,701							69,937
35 to 39	50,234	55,668	73,584	79,940	101,462	101,414					75,452
40 to 44	48,425	65,501	72,778	81,904	96,355	101,337					87,237
45 to 49	50,866	65,257	76,830	75,912	91,831	110,054					88,360
50 to 54	46,375	60,611	90,046	79,057	107,047	102,056	101,414				89,310
55 to 59			91,812		83,295	114,512					94,649
60 to 64											
65 to 69											
70 & up											
Total	47,848	59,785	77,559	78,975	97,581	106,902	101,414				76,556

-Average Salary on valuation date. Does not include DROP participants.

VALUATION SUMMARY

DEVELOPMENT OF UNFUNDED LIABILITY

	July 1, 2016	July 1, 2017
Number of Participants		
Active	210	232
DROP	16	10
Terminated Vested	2	2
Disabled	45	43
Retired	141	153
Survivor/QDRO	35	38
Inactive	30	39
Total	479	517
Active Payroll		
Projected for next Fiscal Year	$18,256,495	$18,821,279
Actuarial Accrued Liability		
Active	$51,546,480	$49,108,151
Retired, Survivors and Disabled	116,562,665	132,380,064
Terminated Vested	172,370	188,691
DROP	15,688,415	10,070,997
Inactive	129,234	113,831
Total AAL	$184,099,524	$191,861,734
Actuarial Value of Assets	165,829,252	170,665,309
Unfunded Actuarial Liability	18,270,272	21,196,425
Funded Ratio	90.1%	89.0%

DEVELOPMENT OF RECOMMENDED EMPLOYER CONTRIBUTION

	July 1, 2016	July 1, 2017
Recommended City Contribution		
Normal Cost	$3,677,665	$3,529,685
less: projected Employee Contributions	1,327,508	1,438,846
City Normal Cost	2,350,157	2,090,839
UAL Amortization Payment	1,468,508	1,723,359
Total City Contribution	$3,818,665	$3,814,198
Projected Payroll for next Fiscal Year	18,256,495	18,821,279
City Contribution as Percentage of Payroll		
Total Normal Cost Rate	20.14%	18.75%
Expected member Contribution Rate	7.27%	7.64%
City Normal Cost Rate	12.87%	11.11%
UAL Amortization Rate	8.04%	9.16%
City Contribution as Percentage of Payroll	20.91%	20.27%
Remaining Amortization Period (Years)	28	27

PRESENT VALUE OF ACCUMULATED BENEFITS

	July 1, 2016	July 1, 2017
Present Value of Accrued Benefits (PVAB)		
Active	$39,102,913	$41,937,982
Retired, Survivors and Disabled	116,562,665	132,380,064
Deferred Vested	172,730	188,691
DROP	15,688,415	10,070,997
Inactives	129,234	113,831
Total PVAB	$171,655,957	$184,691,565
Market Value of Assets (MVA)	157,711,531	168,762,728
Unfunded Value of Accrued Benefits	13,944,426	15,928,837
Ratio of MVA to PVAB	91.9%	91.4%

The liabilities shown above are based on the assumptions outlined in the Assumptions and Methods section; however, the Unit Credit Cost Method is used. Under this cost method, no future service or salary increases are taken into account.

STATEMENT OF CHANGES IN ACCUMULATED PLAN BENEFITS (ASC 960)

Actuarial Present Value of Accumulated Plan Benefits as of July 1, 2016	$171,655,597
Increase (Decrease) Due to	
Benefits accumulated and experience	11,805,231
Interest due to Decrease in the Discount Period	12,453,323
Benefits Paid	(11,222,586)
Net Change	13,035,968
Actuarial Present Value of Accumulated Plan Benefits as of July 1, 2017	$184,691,565

ACTUARIAL ASSUMPTIONS AND METHODS

DEMOGRAPHIC ASSUMPTIONS

Mortality

For non-disabled retirees: RP-2000 Mortality Table, projected to 2016 using Scale AA.
100% of active deaths are assumed to be service-connected.

For disabled retirees: RP-2000 Mortality Table projected to 2016 using Scale AA, set forward five years.

Termination of Employment (Prior to Normal Retirement Eligibility)

Annual Terminations per 1,000 Members	
Years of Service	Terminations
1	100
2	50
3	30
4	30
5	30
6	30
7	30
8 – 24	10
25 or more	0

It is assumed that members who terminate before normal or early retirement age elect to receive a refund of contributions instead of vested benefits

Disability

Annual Disabilities per 10,000 Members	
Age	Male and Female
20	13
25	20
30	28
35	35
40	43
45	50
50	50
55	50
60	50

100% of disabilities are assumed to be service-connected.

Retirement

Annual Retirements Per 100 Police Members		
Years of Service	Hired before 7/1/2012	Hired on or after 7/1/2012
20	35	0
21	30	0
22	15	0
23	15	0
24	15	0
25	50	50
26	15	15
27	75	75
28	15	15
29	15	15
30	15	15
31	15	15
32	15	15
33	15	15
34	15	15
35	100	100

Annual Retirements Per 100 Fire Members		
Years of Service	Hired before 7/1/2012	Hired on or after 7/1/2012
20	15	0
21	15	0
22	15	0
23	15	0
24	15	0
25	33	33
26	15	15
27	15	15
28	25	25
29	25	25
30	50	50
31	30	30
32	30	30
33	30	30
34	30	30
35	100	100

Family Composition

For the purposes of valuing the pre-retirement death benefit, an assumption concerning how many employees are married is needed. The assumption used in this valuation is that 100% of employees are married at death while active and that the female spouse is one year younger than the male spouse.

ECONOMIC ASSUMPTIONS

Investment Return 7.5%, including inflation and net of investment expenses

Administrative Expenses Assumed all will be paid by City

Cost-of-Living Benefit Increases 3.5% compounded per annum for Old Plan, 3.0% compounded per annum for Old Plan Revised, and 2.0% compounded per annum for New Plan Revised

Increase in Salaries 3.5% per year, plus the increases shown below

Years of Service	Police	Fire
0	4.50%	6.50%
1	4.50%	6.50%
2	3.50%	5.00%
3	3.50%	4.00%
4	2.50%	2.50%
5	2.50%	1.50%
6	1.50%	0.50%
7	1.50%	0.50%
8	1.50%	0.50%
9	1.50%	0.50%
10+	0.50%	0.50%

Basis for Assumptions

Assumptions were set as a result of an experience study performed in 2013 by the prior actuary. We have reviewed the assumptions for reasonableness.

Changes since Last Valuation

Change in actuary and software used.

ACTUARIAL METHODS

Funding Method

The funding method used for this valuation is the Entry age Normal funding method. Under this method, the calculated City contribution has two components: the City normal cost and the Unfunded Actuarial Liability amortization payment.

The City normal cost rate is determined in the following steps. First, for each active member an individual total normal cost rate is determined by taking the value, as of entry age into the Plan, of that member's projected future benefits and dividing it by the value, also at entry age, of the member's projected future salary. Then, this individual total normal cost rate is reduced by the member's contribution rate to produce the City normal costs amount for each member. This rate is then multiplied by each member's expected salary for the next year beginning on the valuation date to get the total City normal cost amount. To develop the total City normal cost rate, the sum of the City normal costs amount for all active members is divided by the sum of the expected salary for the next year beginning on the valuation date for all active members. These amount and rates relating to normal cost represent the cost to fund that portion of the total future obligations, which has been allocated to the current year based upon the actuarial funding method.

The Unfunded Actuarial Liability (UAL) amortization payment is developed to pay off the Plan's UAL based on the Plan's funding policies. The actuarial liability (AL) is that portion of the present value of benefits (PVB) that will not be paid by future City normal cost contributions or future member contributions. The difference between this liability and the funds accumulated as of the same date is referred to as the unfunded AL (UAL). For this Plan, the UAL amortization payment rate is calculated by amortizing this UAL over a closed 30-year period that began with the 2014 valuation, which therefore has 27 years remaining as of July 1, 2017.

Actuarial Value of Assets

The Plan uses a method based on the principle that the difference between actual and expected investment returns should be subject to partial recognition to smooth out fluctuations in the total return achieved by the Plan from year to year.

The actuarial value for this Plan equals the expected Actuarial Value of Assets, developed from the immediately prior valuation, plus one-third of the difference between the actual Market Value of Assets and that expected Actuarial Value of Assets at the valuation date. The expected actuarial value is the previous year's actuarial asset value adjusted with contributions, benefit payments, and interest at 7.5%, the Plan's assumed rate of return from the prior valuation.

Funding Policy

The funding of the Plan and payment of benefits is provided by the Retirement Fund. Effective July 1, 2016, the City's funding policy is to contribute 18% of the combined Police/Fire Payroll.

PLAN PROVISIONS

PLAN DESCRIPTION

1. Membership

The Plan covers full-time sworn members of the City of Annapolis Police Department, including police cadets, but excluding parking meter enforcement officers as well as full-time fire suppression, fire prevention, and paramedic force members of the Fire Department of the City of Annapolis. Employees are eligible from their date of hire.

There are four sub-plans: Old Plan, Old Revised Plan, New Plan, and New Plan Revised. Which plan a member participates in is determined by hire date as well as voluntary election in some cases. Provisions for members of New Plan Revised further vary based on whether a member was hired before July 1, 2012. All current active members are now in New Plan Revised, so all active benefits included in this summary are those applicable to this sub-plan.

2. Salary

Salary for purposes of this Plan is for normally scheduled duty including authorized annual leave and sick leave, but excluding pay differentials and overtime or emergency response hours while not on scheduled duty.

3. Member Contributions

8.0% of salary as defined for the Plan

Interest is credited at the rate of 5% per year to member contributions.

4. Credited Service

All service as a member is credited to the nearest one-twelfth of a year. In addition, credit is allowed at the rate of one month for 22 days of accrued unused sick leave, to a maximum of 20 months. Additional service credit is available in some cases for military service or service with another governmental employer.

5. Final Earnings

Twenty-six (26) times the average straight-time salary of the highest consecutive seventy-eight (78) biweekly pay periods during the 1O-year period immediately preceding the date of the member's termination of employment.

6. Normal Retirement Eligibility

On or after a member's normal retirement date, which is the date they have completed 20 years of credited service if hired before July 1, 2012 and 25 years of credited service if hired on or after this date. Credit for accrued sick leave is not used to determine eligibility for retirement date.

Benefit
The benefit payable at 20 years of service is 50% of final earnings with additional service valued at 2.25% of final earnings from 20 to 24 years and 2.5% of final earnings for service more than 24 years up to a maximum of 70% at 28 years and 4 months of service. Where necessary for other benefits, the rate of accrual from zero to 20 years is valued as 2.25% of final earnings per each year of service.

7. Service-Connected Disability

Eligibility
Employment termination by reason of total and permanent disability incurred during service

Benefit
66-2/3% of final earnings as of the date of disability, subject to applicable reduction from gainful employment and/or Social Security disability benefits

8. Ordinary Disability

Eligibility
10 years of service and termination of employment by reason of total and permanent disability not incurred during service

Benefit
An amount determined under the normal retirement benefit formula, based on final earnings and credited service as of disability date, subject to applicable reduction from gainful employment and/or Social Security disability benefits.

9. Service-Connected Death

Eligibility
Death prior to termination of employment while in the line of duty

Benefit
Spouse receives 50% of the member's accrued benefit determined under the normal retirement benefit formula, based on final earnings and credited service as of the member's date of death. Minimum benefit is 30% of member's current salary plus an additional 5% of the member's current salary for each unmarried child under 18 to a maximum of 40% of the member's current salary at time of death. Benefits to children terminate at age 18. Spouse benefits terminate upon the spouse's death or remarriage.

10. Ordinary Death

Eligibility
Death prior to termination of employment while not in the line of duty

Benefit
If member had less than 10 years of credited service at time of death: a refund equal to the member's Withdrawal Benefit (detailed below) payable to the member's estate. If member had 10 or more years

of credited service at time of death: spouse receives 50% of member's accrued benefit determined under the normal retirement benefit formula, based on final earnings and credited service as of the member's date of death.

11. Deferred Retirement

Eligibility
10 years of credited service

Benefit
Normal retirement benefit based on final earnings and credited service at date of termination. Benefit is payable in full at age 55. A member may withdraw his contributions at termination, in which case no deferred vested benefit is payable.

12. Withdrawal Benefit

Eligibility
Not eligible for other benefits or elected in place of other benefit for which member is eligible

Benefit
Member contributions with interest

13. Form of Payment

The normal form of payment for New Plan and New Plan Revised is a life annuity with a guarantee that at least the amount of member contributions will be paid to the retiree or beneficiaries for New Plan Revised. A member who is entitled to a normal or early retirement benefit may elect an actuarially equivalent Joint and Survivor benefit. Members may also elect to have a Level Income Option, which is designed to provide for a level payment over the member's lifetime from a combination of the Plan and Social Security.

Actuarial equivalence is determined by the Plan to be based upon the 1971 Group Annuity Mortality Table using female rates with 6% per annum interest.

14. Cost-of-Living Adjustment

Old Plan:
Retired and disabled members receive annual increases equal to the same percentage as any increase in the pay scale for members of the same rank and years of service who are on active duty. Survivors receiving benefits will receive the same increase, subject to a cap of 3% per year.

Old Plan Revised
Same provisions as Old Plan, but service and disabled retirees' increase is capped at 4% per year as well as the cap of 3% for survivors receiving a benefit.

New Plan
Each July 1, benefits are increased by 2%.

New Plan Revised

Same provisions as New Plan.

Cost-of-living adjustments do not apply to deferred vested benefits prior to benefit commencement.

15. DROP Program

Eligibility

All active sworn Police and Fire personnel who are enrolled in the New Plan or the New Revised Plan are eligible for DROP participation upon attaining eligibility for normal retirement. Entry to DROP is restricted to a maximum total DROP population of 24 (maximum of 12 each for Police and Fire personnel) at any given time. In addition, DROP participation will be limited to a maximum of eight new participants (maximum of four each for Police and Fire personnel) per plan year until a maximum of 24 participants is realized.

Benefit

The benefit determined as of the first day of the DROP participation, plus accumulating interest, will be credited to a separate DROP account within the Plan, while the member continues to work for a three-year DROP period. Upon completion of the three-year DROP period, DROP participation ends, and the member must terminate employment. At that time, the participant will receive payment of the accumulated DROP account balance and begin receiving his or her monthly retirement benefit (in the same amount as determined at commencement of DROP participation, except adjusted to include credit for residual unused sick leave at separation of service). No cost-of-living increases are awarded to members during their DROP periods. After the first year, DROP entry occurs only on January 1.

The DROP account will be credited with interest during the DROP period at the average rate of the Composite Corporate Bond Rate over the June-November time-period in the previous plan year. Interest is compounded monthly.

Contributions

During the DROP period, the City will continue to make City contributions to the Plan on the basis of DROP members' salary. Any DROP participant who has not attained five or more years of additional credited service beyond his or her service requirement for normal retirement will also continue to make member contributions throughout the DROP period.

Early Termination of DROP Participation

Except for death or disability, a member who elects to withdraw from participation in DROP prior to the end of the three-year period shall forfeit his or her DROP account balance. Such member can then apply for normal retirement and have a benefit calculated using service and final earnings through the date of termination. The only way to terminate DROP participation other than through death or disability is to leave employment with the City.

Disability during DROP

The effective date of the disability will be treated as the end date of the DROP participation period. The member shall receive the disability benefits to which he or she would otherwise be entitled and shall forfeit the DROP account balance.

Death during DROP

Annuity benefits payable to a DROP participant's beneficiary will be due in accordance with the form of payment that was elected when the member entered DROP. In addition to any annuity benefit payable, the beneficiary shall receive the lump sum value of the DROP account balance.

16. Changes since Last Valuation

None

APPENDIX

GLOSSARY OF ACTUARIAL TERMS

Actuarial Accrued Liability

A plan's actuarial accrued liability is the level of assets estimated by the system actuary to be needed as of the valuation date to

- Finance all previously earned benefits for actively employed members of the plan (and their beneficiaries, if applicable) for when they eventually retire, die or terminate with deferred vested benefits, and
- Finance all currently payable benefits of current pensioners and their beneficiaries (if applicable).

It is important to note that the Actuarial Accrued Liability is not a debt; instead, it is an asset target set by the actuarial cost method to produce an orderly accumulation of assets to pay for the plan's obligations.

Actuarial Assumptions

The actuarial assumptions are the actuary's anticipated rates of future termination, death, disability and retirement for each member of the plan as well as the actuary's anticipated rate of investment return on underlying assets. Because these assumptions will not be in exact accord with actual events, actuarial gains and losses will materialize.

Actuarial Value of Assets

The actuarial value of assets, used for funding purposes, is computed using an asset smoothing technique in which investment gains and losses are not fully recognized in the year they occur, but are spread out over time, typically a specified number of years. Use of an actuarial value of assets (rather than market value) helps avoid large fluctuations in recognized value of the underlying assets and, in turn, avoids large fluctuations in required contribution rates.

Actuarial Present Value of Benefits

The actuarial present value of benefits is the Actuarial Accrued Liability plus actuarial present value of future Normal Costs. The actuarial present value of benefits can also be explained as the actuarial present value of all future benefits expected to be paid to the Plan's current members, whether based on current or future service.

Actuarial Funding Policy

The plan's actuarial funding policy is the scheduled program of accumulating assets to finance the plan's obligations, typically, but not necessarily, as a level percentage of payroll. The funding policy includes:

- The Normal Cost, and
- Amortization of the Unfunded or Overfunded Actuarial Accrued Liability (whichever is applicable).

Investment Gains and Losses

When the investment return on assets exceeds the assumed rate of return (the actuarial assumption as to investment return), this difference is identified as an investment gain. Correspondingly, when the returns are less than expected, this difference is identified as an investment loss. These investment gains and losses are either recognized immediately to produce the market value of assets or are spread out to produce the Actuarial Value of Assets.

Normal Cost

The Normal Cost is calculated as the annual amount necessary to fund each member's benefits from that member's Plan entry date to the end of his or her projected working life.

Unfunded Actuarial Accrued Liability

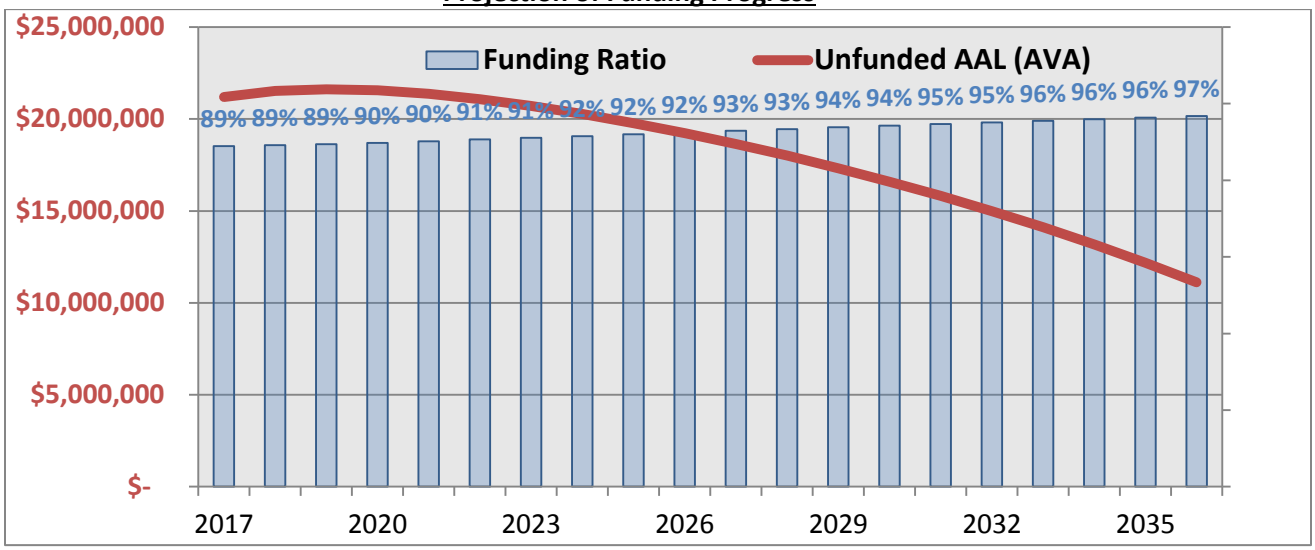
When the actuarial value of assets is below the Actuarial Accrued Liability, there is an Unfunded Actuarial Accrued Liability which must be paid off or amortized on a schedule. When the actuarial value of assets is in excess of the Actuarial Accrued Liability, this can lead to a reduction in future contributions on an amortization schedule.

PROJECTION OF FUNDING PROGRESS AND CONTRIBUTIONS

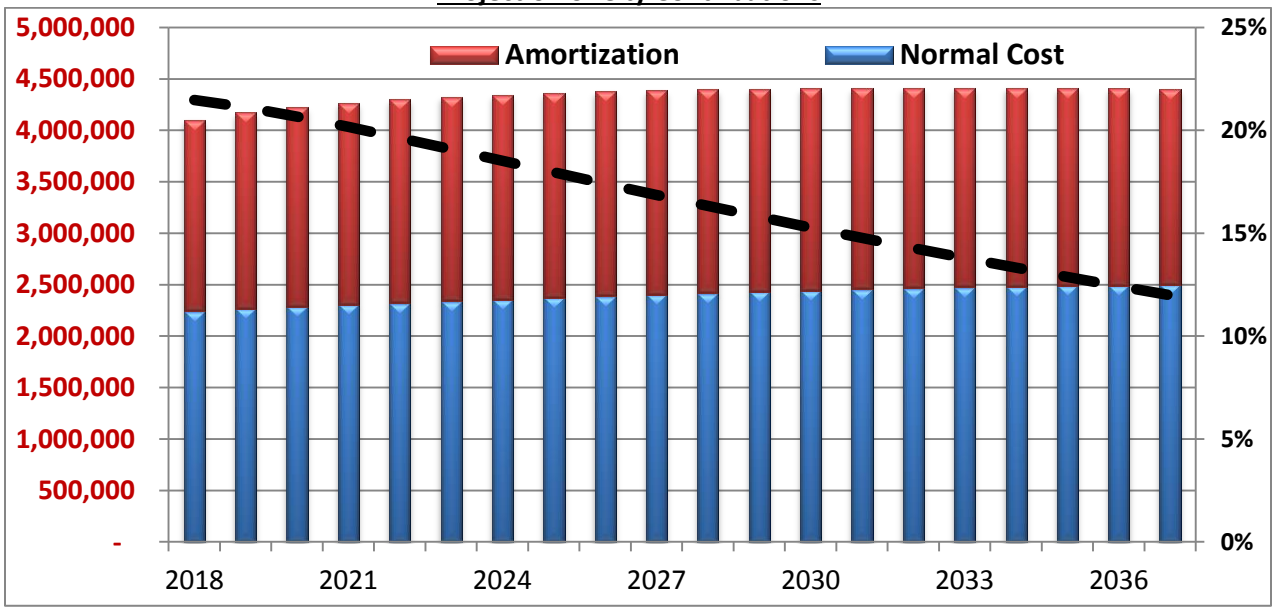
The graphs below show a projection of expected funding progress and actuarial cost over the next 20 years, based on the July 1, 2017 actuarial assumptions and valuation results. It is also assumed that the City will contribute the actuarial contribution rate (bottom graph, black line) annually. Given this, over time the Plan's unfunded liability will continue to improve (top graph, red line), increasing the funding ratio over the next 20 years.

If the City continues to contribute at a rate lower than the actuarial rate, funding will not progress as shown in the graphs, and the actuarial contribution rates will be higher.

Projection of Funding Progress



Projection of City Contributions



City of Annapolis

Other Post-Employment Benefits

Actuarial Valuation as of June 30, 2017

March, 2018

Submitted by

Boomershine Consulting Group, LLC
Executive Center 1
3300 North Ridge Road, Suite 300
Ellicott City, MD 21043

March 30, 2018

Mr. Bruce Miller
Finance Director
City of Annapolis
160 Duke of Gloucester Street
Annapolis, Maryland 21401

Dear Bruce:

This report presents the June 30, 2017 actuarial valuation results for the City of Annapolis (the "City") Other Post-Employment Benefit Plans. The purposes of this report are to:

(1) Determine the plan's actuarial liabilities and costs for funding purposes;
(2) Establish the basis for FY18 GASB 75 reporting; and
(3) Provide information that may be helpful in future planning for the Other Post-Employment Benefit ("OPEB") Plans.

A summary of the major results is shown in the Executive Summary, while the Principal Valuation Results section provides more detail. Financial reporting information is now provided in a separate report.

The actuarial costs and liabilities shown in this report are based upon the data and plan provisions provided by the City, as summarized in the Demographic Information and Plan Provisions Sections, respectively, and the funding method and actuarial assumptions outlined in the Methods and Assumptions Section of this report. This Report presents our best estimate of the costs of the Post-Employment Benefit Plans in accordance with accepted actuarial principles.

To the best of our knowledge, this report is complete and accurate and conforms to generally accepted actuarial principles and methodology.

This report is intended for the sole use of the addressee. It is intended only to supply sufficient information for the City to comply with the stated purposes of the report, and may not be appropriate for other business purposes. Reliance on information contained in the report by anyone for other than the intended purposes puts the relying entity at risk of being misled because of confusion or failure to understand applicable assumptions, methodologies, or limitations of the report's conclusions.

The first undersigned meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions in this report.

Respectfully submitted,

Gregory M. Stump, FSA, EA, MAAA, FCA
Vice President and Chief Actuary

Marshal Banks
Senior Consultant

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Executive Summary

The City of Annapolis (the City) provides healthcare (including medical, dental, and vision) as well as prescription drug insurance benefits to eligible retirees and their dependents. All full time active employees who retire or become disabled directly from the City, and meet the eligibility criteria may participate. Depending on when the employee is hired and retires, the cost of coverage may be shared by the retiree and the City.

The following table summarizes the valuation results. These results have been calculated based on assumptions as to current claims cost, projected increases in health care costs, mortality, turnover, and investment earnings.

Information on plan provisions and participation was provided by the City.

This summary identifies the value of benefits and actuarial costs, reflecting a full pre-funding approach, utilizing a discount rate of 4.31%[1], and amortizing the Unfunded Actuarial Accrued Liability according to the current policy.

	As of June 30, 2017	**As of June 30, 2016***
Present Value of Projected Benefits (PVPB)	$66,101,148	*Not Shown*
Actuarial Accrued Liability (AAL)	$49,827,329	$53,476,593
Plan Asset Value	3,581,372	2,742,624
Funding Ratio	7.2%	5.1%
Unfunded Actuarial Accrued Liability	46,245,957	50,733,969
Actuarially Determined Contribution (ADC)	3,625,151	3,983,129
Expected Benefit Payments	$2,086,344	$1,553,508

* From prior actuary's report

The remainder of this report provides greater detail for the above results. A section containing valuation results on a fully pre-funded basis is also included herein.

[1] This rate was chosen for comparison to the prior valuation.

Principal Valuation Results

This section presents detailed valuation results for the City's retiree OPEB program.

- The Present Value of Projected Benefits (PVPB) is the total present value of all expected future benefits, based on a set of actuarial assumptions. The PVPB is a measure of total liability or obligation. Essentially, the PVPB is the value (on the valuation date) of the benefits promised to current and future retirees. The Plan's PVPB (at June 30, 2017) is $66.1 million. About 68% ($45.2 million) of this liability is for current active employees (future retirees).

- The Actuarial Accrued Liability (AAL) is the liability or obligation for benefits earned through the valuation date, based on certain actuarial methods and assumptions. The Plan's AAL (at June 30, 2017) is $49.8 million. About 58% ($28.9 million) of this obligation is for active employees. The AAL represents approximately 75% of the PVPB.

- The Normal Cost is the value of benefits expected to be earned during the year, again based on certain actuarial methods and assumptions. The Normal Cost is $1.5 million.

This report develops the AAL and Normal Cost using the Entry Age actuarial cost method.

The following table shows results by active and retired employee groups.

	June 30, 2017			June 30, 2016*		
	General	**Police/Fire**	**Total Plan**	**General**	**Police/Fire**	**Total Plan**
Present Value of Projected Benefits						
Actives	$10,254,540	$34,913,199	$45,167,739	*Not Shown*		
Retirees	3,012,989	17,920,420	20,933,409			
Total	$13,267,529	$52,833,619	$66,101,148			
Actuarial Accrued Liability (AAL)						
Actives	$7,504,681	$21,389,239	$28,893,920	$9,681,000	$25,103,000	$34,784,000
Retirees	3,012,989	17,920,420	20,933,409	3,042,000	15,651,000	18,693,000
Total	$10,517,670	$39,309,659	$49,827,329	$12,723,000	$40,754,000	$53,477,000
Plan Assets~	$1,847,639	$1,733,733	$3,581,372	$1,222,000	$1,520,000	$ 2,742,000
Unfunded AAL	$8,670,031	$37,575,926	$46,245,957	11,501,000	39,234,000	50,735,000
Normal Cost	$240,391	$1,226,233	$1,466,624	$159,000	$1,556,000	$ 1,715,000

* From prior actuary's report
~ Assets allocated based on payroll proportion, for the purpose of allocating costs.

Actuarially Determined Contributions and Funding

The Actuarially Determined Contribution (ADC) includes both the value of benefits earned during the year (Normal Cost) and an amortization of the Unfunded Actuarial Accrued Liability (AAL). The following table shows the City's ADC based on current amortization policy, and a 4.31% discount rate (for year to year comparison).

	June 30, 2017			**June 30, 2016***		
	General	**Police/Fire**	**Total Plan**	**General**	**Police/Fire**	**Total Plan**
Normal Cost	$240,391	$1,226,233	$1,466,624	$159,000	$1,556,000	$1,715,000
Unfunded AAL Amortization	609,502	1,399,237	2,008,739	796,000	1,472,000	2,268,000
Interest to end of year	36,630	113,158	149,788	*Not Included*		
Total Actuarially Determined Contribution (ADC)	**$886,523**	**$2,738,628**	**$3,625,151**	**$955,000**	**$3,028,000**	**$3,983,000**

History of Funding Progress*

Valuation Date	Plan Asset Value (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a / b)
6/30/2009	$0	$43,567,000	$43,567,000	0.0%
6/30//2010	0	48,371,000	48,371,000	0.0%
6/30/2011	0	46,146,000	46,146,000	0.0%
6/30/2012	0	44,644,000	44,644,000	0.0%
6/30/2013	0	50,546,000	50,546,000	0.0%
6/30/2014	1,475,000	46,757,000	45,282,000	3.2%
6/30/2015	2,227,000	47,871,000	45,644,000	4.6%
6/30/2016	2,742,624	53,476,593	50,733.969	5.1%
6/30/2017	3,581,372	49,827,329	46,245,957	7.2%

The funding ratios shown above are appropriate to evaluate the ongoing funding progress of the Plan, but may not be suitable for other purposes.

* through 6/30/2016, from prior actuary's report

Pre-Funded Basis

The summary below contains the results of an actuarial valuation based on full pre-funding of benefits on an ongoing basis. This would include contributions to the OPEB Trust annually in amounts equal to the ADC, which can be offset for any benefits paid directly by the City ("paygo amounts").

All results below are based on the same assumptions and methods as the preceding results, with the exception of the discount rate. 7.00% is used for the figures below.

Actuarial Liability Summary

	General	Police/Fire	Total Plan
Present Value of Projected Benefits			
Actives	$7,365,271	$21,666,347	$29,031,618
Retirees	2,727,366	15,241,147	17,368,513
Total	$10,092,637	$36,907,494	$47,000,131
Actuarial Accrued Liability (AAL)			
Actives	$6,065,453	$15,226,966	$21,292,419
Retirees	2,727,366	15,241,147	17,968,513
Total	$8,792,819	$30,468,113	39,290,932
Assets	$1,847,639	$1,733,733	$3,581,372
Unfunded AAL	6,945,180	28,734,380	35,679,560
Funding Ratio			9.1%

Actuarially Determined Contribution

	General	Police/Fire	Total Plan
Normal Cost	$138,128	$688,799	$826,927
Unfunded AAL Amortization	599,032	1,488,896	2,087,928
Interest to end of year	51,601	152,439	204,040
Total Actuarially Determined Contribution (ADC)	**$788,761**	**$2,330,134**	**$3,118,895**

Payout Projection

Annual benefit payments expected based on assumptions and contributions detailed in the Methods and Assumptions section. All of these amounts represent the employer portion only.

Year Ending	Payout
06/30/2018	$2,086,344
06/30/2019	2,196,169
06/30/2020	2,422,257
06/30/2021	2,741,518
06/30/2022	2,949,867
06/30/2023	3,245,619
06/30/2024	3,432,840
06/30/2025	3,453,198
06/30/2026	3,524,968
06/30/2027	3,665,791

Demographic Information

The following Table summarizes active and retiree demographic information (only for those employees and retirees with health insurance).

	Number of Participants Valued – Medical/Drug					
	June 30, 2017			June 30, 2016*		
	General	Police/Fire	Total Plan	General	Police/Fire	Total Plan
Actives	235	217	452	214	231	445
Retiree/Beneficiaries	26	81	107	33	117	150
Spouses	9	42	51			
Total Participants	270	340	610	247	348	595

	June 30, 2017			June 30, 2016*		
	General	Police/Fire	Total Plan	General	Police/Fire	Total Plan
Average Age (Medical/Drug)						
• Active	49.4	39.8	44.8	50	41	45
• Retired	59.5	55.4	57.3	58	54	55
Average Service (for actives)	13.3	11.0	12.2	15	12	13

Note: Assumed that 100% of active employees elect retiree medical coverage upon retirement.

* From prior actuary's report

Summary of Benefit Provisions

Medical/Drug Plan	Choice of Medical Plans – Core, EPO, Plus Choice of Dental Plans – Core, Plus Choice of Vision Plans – Core, Plus
Eligibility	**Police/Fire**: The City will provide to employees and eligible dependents, at cost of co-pay and deductibles, medical, hospitalization, major medical, dental, vision care, and co-pay prescription insurance coverage in effect at the time of retirement for employees who retire with 20 years of service (hired prior to 7/1/2012), and 25 years of service (hired on or after 7/1/2012) under Retirement Plan for Members of the Police and Fire Departments of the City of Annapolis. Employees who retired on or after 7/1/2002, but before 7/1/2008 will pay 20% of the premiums. Employees retiring on or after 7/1/2008 and those vested as of 7/1/2012 will pay 30% of the premiums. Employees not vested as of 7/1/2012, will pay the remainder of the retiree premiums for the Core Plan after the City pays 2.5% multiplied by each year of service up to a max of 70%. Coverage continues until retiree and/or spouse reaches Medicare eligibility age. Additional Medicare coverage is provided at full cost to retiree and/or spouse. **General**: For General employees hired prior to 7/1/2014 and have elected to remain in the OPEB Plan, the City will provide to employees and eligible dependents, at cost of co-pay and deductibles, medical, hospitalization, major medical, dental, vision care, and co-pay prescription insurance coverage in effect at the time of retirement for employees who retire with 20 years of service under State Retirement and Pension Systems of Maryland - Employees' Pension System. Employees who retired on or after 7/1/2012, will pay the remainder of the retiree premiums for the Core Plan after the City pays 2.5% multiplied by each year of service up to a max of 75%. Coverage continues until retiree and/or spouse reaches Medicare eligibility age. Additional Medicare coverage is provided at full cost to retiree and/or spouse.

Employee Contributions

For Police/Fire

For employees hired on or after 7/1/2014, the employee contribution of 1% of gross pay is required prior to retirement to fund the City of Annapolis Other Postemployment Benefits Plan.

For General

No employee contributions are required prior to retirement to fund the City of Annapolis Other Postemployment Benefits Plan.

Retiree and Spouse Contributions

The future (retire on or after 7/1/2012) General retiree and spouse will pay the remainder of the retiree premiums for the Core Plan after the City pays 2.5% multiplied by each year of service up to a max of 75%. All SRA employees not in ASFCME will have to buy up for other options.

The future (retire on or after 7/1/2008 and vested as of 7/1/2012) Police and Fire retiree and spouse will pay 30% of the retiree premiums for the Core Plan. For those participants not vested as of 7/1/2012, they will pay the remainder of the retiree premiums for the Core Plan after the City pays 2.5% multiplied by each year of service up to a max of 70%. All Police and Fire will have to buy up for other options.

Premium for 2017-2018
(annual amount)

City of Annapolis – Annual Retiree Premiums for Contributions (100% cost)				
	EPO	Core	Plus	Rx
Individual	$9,051.84	$8,363.28	$9,737.52	$2087.28
Parent/Child	18,017.40	16,705.56	19,463.04	
Husband/Wife	24,686.04	22,941.84	27,929.72	
Family	27,092.16	24,875.28	30,455.76	
	Dental Core	Dental Plus	Vision Core	Vision Plus
Individual	$231.24	$387.24	$76.92	$102.12
Parent/Child	430.73	606.48	165.84	219.60
Husband/Wife	430.80	840.72	165.84	219.60
Family	638.04	1,125.72	165.84	219.60

Actuarial Methods and Assumptions

The assumptions and methods used for this valuation were developed by the prior actuary. We reviewed the rates for reasonableness, and did not make any changes for this valuation. A full experience study and assumption review will be conducted prior to the next valuation.

Employer's Funding Policy Partial pre-funding of the Actuarial Cost

Amortization Period Remaining VEBA General Plan – Closed - 19 years remaining,
General Plan – Closed - 27 years remaining
Police and Fire Plan – Open - 30 years remaining

Amortization Method Level dollar for General, Level Percent of Pay for Police/Fire

Actuarial Cost Method Entry Age

Economic/Healthcare Assumptions

Discount rate 4.31%
7.00% for fully pre-funded scenario

Payroll Increases 3.50%

Medical and Prescription Drug Trend

Year Beginning	Medical	Rx
2018	6.75%	9.75%
2019	6.50%	9.50%
2020	6.25%	8.50%
2021	5.00%	8.00%
2022	5.75%	7.50%
2023	5.50%	7.00%
2024	5.25%	6.50%
2025	5.00%	6.00%
2026	4.75%	5.50%
2027	4.50%	5.00%
2028	4.00%	4.50%
2029	3.75%	4.00%
2030 & Later	3.50%	3.50%

Dental/Vision Trend: 3.50%

Expected Claims

Sample Expected Claims (including expenses) by age/plan:
(annually, 2017-2018 basis)

Male	CORE Retiree	CORE Spouse	EPO Retiree	EPO Spouse	Plus Retiree	Plus Spouse
45	$5,218	$6,880	$5,716	$7,812	$5,300	$7,506
50	6,805	8,467	7,454	9,551	6,912	9,119
55	8,885	10,548	9,734	11,830	9,025	11,232
60	11,596	13,259	12,703	14,800	11,779	13,986
64	14,551	16,214	15,941	18,037	14,781	16,987

Female	CORE Retiree	CORE Spouse	EPO Retiree	EPO Spouse	Plus Retiree	Plus Spouse
45	$8,154	$9,816	$8,932	$11,028	$8,282	$10,489
50	9,334	10,997	10,225	12,322	9,481	11,688
55	10,807	12,470	11,839	13,935	10,977	13,184
60	12,788	14,450	14,009	16,105	12,990	15,196
64	14,982	16,644	16,412	18,508	15,218	17,424

	Dental Core	Dental Plus	Vision Core	Vision Plus
Individual	$231.24	$387.24	$76.92	$102.12
Husband/Wife	430.80	840.72	165.84	219.60

The claims shown above are based on the aging rates developed by the prior actuary. We reviewed the tables for reasonableness. The amounts were updated based on changes in premiums (and implicitly changes in claims) since the last valuation. Claims for dental and vision do not include any aging factors.

Demographic Assumptions

Mortality (pre and post-retirement)

General - RP2000 Combined Healthy Mortality Table projected to 2025 with Scale AA for males and females

Police& Fire - RP2000 Combined Healthy Mortality Table projected to 2016 with Scale AA for males and females

Mortality (post-disablement)

General Male – RP-2000 Disabled Retiree Table set back 4 years
General Female – RP-2000 Disabled Retiree Table

Police & Fire – RP-2000 Group Annuity Mortality Table projected to 2016 with scale AA set forward 5 years for males and females

Disability

Representative Rates - General

Age	Rate of Disability (Male)	Rate of Disability (Female)
25	0.00152	0.00107
30	0.00152	0.00107
35	0.00253	0.00178
40	0.00455	0.00312
45	0.00556	0.00445
50	0.00657	0.00623
55	0.00859	0.00846
60	0.01111	0.01157
64	0.01111	0.01157

Representative Rates – Police and Fire

Age	Rate of Disability (Male and Female)
25	0.00200
30	0.00275
35	0.00350
40	0.00425
45	0.00500
50	0.00500
55	0.00500
60	0.00000
65	0.00000

Termination – General

Male Representative Rates per 1,000 members

Age/Service	0	3	9	10+
25	200	90	50	50
30	200	90	50	40
35	200	90	50	40
40	200	90	50	30
45	200	90	50	25
50	200	90	50	25
55	200	90	50	20

Female Representative Rates per 1,000 members

Age/Service	0	1	9	10+
25	200	80	45	45
30	200	80	45	30
35	200	80	45	30
40	200	80	45	25
45	200	80	45	25
50	200	80	45	20
55	200	80	45	15

Fire & Police

Male and Female: Representative Rates per 1,000 members

Years of Service	
1	100
2	50
3	30
4	30
5	30
6	30
7	30
8	10
9	10
10 +	10

Retirement – General Employees

Annual Retirements Per 1,000 Members Early				
	First Year Eligible		Subsequent Years	
Age	Male	Female	Male	Female
45	0	0	0	0
50	0	0	0	0
55	30	35	70	100
60	80	80	45	55
65	N/A	N/A	N/A	N/A
70	N/A	N/A	N/A	N/A

Annual Retirements Per 1,000 Members Normal				
	First Year Eligible		Subsequent Years	
Age	Male	Female	Male	Female
45	140	160	70	100
50	140	160	70	100
55	140	170	70	100
60	140	260	110	160
65	50	60	200	230
70	50	60	150	160
75	1,000	1,000	1,000	1,000

Retirement – Police Employees

Annual Retirements per 100 Police Members		
Years of Service	Hired before 7/1/2012	Hired on or after 7/1/2012
20	35	0
21	30	0
22	15	0
23	15	0
24	15	0
25	50	50
26	15	15
27	75	75
28	15	15
29	15	15
30	15	15
31	15	15
32	15	15
33	15	15
34	15	15
35	100	100

Retirement – Fire Employees

Annual Retirements per 100 Police Members		
Years of Service	Hired before 7/1/2012	Hired on or after 7/1/2012
20	15	0
21	15	0
22	15	0
23	15	0
24	15	0
25	33	33
26	15	15
27	15	15
28	25	25
29	25	25
30	50	50
31	30	30
32	30	30
33	30	30
34	30	30
35	100	100

Age Difference/ Family Assumptions

General employees males are assumed to be 4 years older than females and for Police and Fire employees males are assumed to be 1 year older than females; 51% or active members are assumed to be married and spousal coverage elections will remain consistent from active employment to retirement..

For current retirees and actives, actual family status and ages were used.

Coverage/Participation

We have assumed that 100% of current active employees would elect coverage by retirement age under the medical/drug/dental/vision plans.

For current retirees, we have valued only those who have current coverage elections, with the assumption that retirees without coverage cannot elect coverage in the future.

Glossary of Actuarial Terms

Actuarial Accrued Liability

A plan's actuarial accrued liability is the level of assets estimated by the system actuary to be needed as of the valuation date to

Finance all previously earned benefits for actively employed members of the plan (and their beneficiaries, if applicable) for when they eventually retire, die or terminate with deferred vested benefits, and

Finance all currently payable benefits of current pensioners and their beneficiaries (if applicable).

The Actuarial Accrued Liability is not a debt; instead, it is an asset target set by the actuarial cost method to produce an orderly accumulation of assets to pay for the plan's obligations.

Actuarially Determined Contribution (ADC)

The annual cost of the plan, on an actuarial basis. The ADC is the sum of the Normal Cost and the amortization of unfunded actuarial accrued liability.

Implicit Rate Subsidy

A retiree only population would require a much higher premium to account for higher expected claims at older ages. By offering retirees coverage at the same (lower) premium rate as active employees, employers are providing an additional benefit. This is known as an implicit rate subsidy under GASB 45.

Normal Cost

The Normal Cost is calculated as the annual amount necessary to fund each member's benefits from that member's Plan entry date to the end of his or her projected working life.

Other Postemployment Benefits (OPEB)

Postemployment benefits other than pensions, OPEB, generally takes the form of health insurance and dental, vision, prescription drugs or other healthcare benefits.

Unfunded Actuarial Accrued Liability

When the actuarial value of assets is below the Actuarial Accrued Liability, there is an Unfunded Actuarial Accrued Liability which must be paid off or amortized on a schedule. When the actuarial value of assets is in excess of the Actuarial Accrued Liability, this can lead to a reduction in future contributions on an amortization schedule.