

SPECIAL MEETING

June 2, 1999

The Special Meeting of the Annapolis City Council was held on June 2, 1999 in the Council Chamber. Mayor Johnson called the meeting to order at 7:05 p.m.

Present on Roll Call: Mayor Johnson, Aldermen Hammond, Tolliver, Gilmer, Sachs, McMillan, Carter, Fox, Moyer

Staff Present: Central Services Officer Harrison, City Attorney Goetzke, Finance Director Sulick, Public Works Director Smith

Alderman Gilmer moved to add Resolution R-8-99 to the Agenda. Seconded. A ROLL CALL vote was taken:

YEAS: Aldermen Hammond, Tolliver, Gilmer

NAYS: Mayor Johnson, Aldermen Sachs, McMillan, Carter, Fox, Moyer

DEFEATED: 6-3

FY 2000 BUDGET LEGISLATION

O-23-99 For the purpose of adopting an operating budget for the City of Annapolis for the fiscal year 1999-2000, beginning July 1, 1999 and ending June 30, 2000; to appropriate funds for expenditures for the fiscal year beginning July 1, 1999 and ending June 30, 2000; levying and imposing a property tax rate for the Fiscal Year beginning July 1, 1999 and ending on June 30, 2000, for the purpose of defraying all expenses and liabilities of the City of Annapolis and levying same for the purposes specified; specifying certain duties of the Director of Finance, specifying a rate of interest to be charged upon overdue property taxes; and all matters generally relating to said budget and property tax rate.

Alderman Sachs moved to adopt O-23-99 on second reading. Seconded.

The Finance Committee reported favorably with amendments on O-23-99.

Alderman Sachs moved to amend O-23-99 as follows:

Amendment No. 1:

Increase Budget:
110-42210-8100 Fire-Capital Outlay \$60,000

Decrease Budget:
110-49800-9839 Transfer to Capital Projects \$60,000

To provide funding for Advanced Cardiac Monitors by reducing vehicle purchases in the Fire Department Vehicle Replacement Plan.

Delete: 4 wheel drive SUV - \$32,000
Staff car - \$21,000

And reduce operating funding of CIP project for City Hall Renovations by \$7,000

Amendment No. 2:

Increase Budget:
110-49800-9839 Transfer to Capital Projects \$5,000

DECREASE ACCOUNT:		
ACCOUNT NUMBER	ACCOUNT TITLE	AMOUNT
6120-000-000	Police Overtime (First Night)	\$ 10,000
7190-000-969	Police First Night	\$ 6,000
7920-000-303	Police Drug Initiative	\$ 10,000
7240-000-299	Economic Development - Data Base	\$ 15,000
7996-000-000	Central Services - Restrooms for Barge House Museum	\$ 17,500
8100-000-000	Central Services - (Chairs, balance not taken by Finance)	\$ 5,000
6110-000-000	Mayor's Office - Salaries (eliminate proposed grade increase and associated salary increase for City Administrator)	\$ 20,000
6110-000-000	Mayor's Office - Salaries (eliminate Position #9101-013, General Contractual, Temporary)	\$ 30,000
	Vehicle Replacement (Operating funds transferred to CIP) (eliminate two additional PEO cars)	\$ 28,200
Revenues (increase) and General Fund (decrease) 7996-000-214	Increase intergovernmental revenues by \$30,000 to replace general funds for derelict boat removal - Harbormaster (DNR repays City expenditure for this purpose)	\$ 30,000
Operating Fund Transfer to CIP	City Hall Renovations (cut balance not cut by Finance)	\$ 83,000
7993-000-000	Grants - Conflict Resolution Center	\$ 6,250
Subtotal		\$260,950

EXPLANATION:

Proposed Increases:

Reduce revenue by \$105,000 - This reduction in proposed revenue allows a decrease in the property tax of \$.01 per \$100 of assessed value.

6120 000 000 Police Overtime by \$10,000 - This increase allows initiation of the RAAM program to reduce underage drinking violations, based on a model program in Ocean City, Maryland, described to the Council in a special meeting in 1999.

CIP - Operating Fund Transfer - \$98,950 - This increase will allow the City to resurface the running track at Weems Whelan Field, which the City maintains. Resurfacing this track, the City's only running facility, was recommended by the Recreation Task Force for safety and recreational reasons. This project is within the boundaries of the parks and paths for people project. It is recommended that the City attempt to recover a portion of this cost through State and/or County grants.

110 41514 9100 MIT Capital Outlay - \$2,000 - This amount will allow subscription to LEXUS, an on-line legal research tool, for use by the Office of Law.

6110 000 000 and 6201 000 000 and 6202 000 000 - \$36,000 and \$9,000 - Inspections and Permits - This increase will allow the hiring (salary and fringe benefits) of an inspector to inspect properties, particularly in the historic district, for code compliance and to conduct fire surveys. This position was recommended by the Fire Safety Committee.

Proposed Decreases:

6120 000 000 Police Overtime - First Night - \$10,000 - This reduction is recommended for consistency with the resolution passed in 1999 by the City Council providing that private, commercial ventures will pay the cost of services unless given a grant by the City or given a waiver under guidelines (which have not yet been adopted by the Council).

7190 000 969 - Police Department - First Night - \$6,000 - See above, same explanation.

7920 000 303 - Police Department, Drug Initiative - \$10,000 - This reduction is recommended because this is the amount of funds transferred out of the Police Department in FY 1999 to the Office of the Mayor without initiation of a drug initiative. (The balance of these funds, which are not cut, supported a matching requirement for a Hot Spots grant.)

7240 000 299 - Economic Development - Consultant to develop data base -- \$15,000 - These funds were requested as follow-up to the Economic Development plan, funded in FY 1999; however, the development of that plan has not yet begun. It is premature to presume to know that the plan will require a follow-up contract for development of a data base, the purpose of which has not been defined.

7996 000 000 - Central Services - Restrooms for Barge House Museum -- \$17,500 - This is not a City-operated facility; hence, support for a capital project should be requested as a grant rather than budgeted as a City project.

8100 000 000 - Central Services - Chairs - This reduces the balance, which was not recommended for reduction by the Finance Committee, for new chairs for the Council chambers. The current chairs have been adequate in number and quality for audiences experienced to date.

6110 000 000 Mayor's Office - Salaries -- \$20,000 - This eliminates the proposed increase associated with the proposed grade increase for the City Administrator. There is no evidence that the position has been readvertised since the initial search one and one-half years ago. The current salary is competitive for comparable positions in municipalities.

6110 000 000 Mayor's Office - Salaries -- \$30,000 - This proposes elimination of position 9101-013, a general contractual, temporary employee, whose duties are not specified. This position was funded, but not filled, in FY 1999.

Operating Funds for Vehicle Replacement -- \$28,200 - This proposes elimination of the request to add two new vehicles for the parking enforcement officers. It is possible for these officers to carpool downtown or to ride downtown with police officers assigned to that area. Parking enforcement is a job which must be done on foot. Adding individual cars for the short ride from the station would add to parking congestion downtown.

Revenue Increase - Intergovernmental and concurrent Revenue Decrease (general fund) - Harbor Master - derelict boat removal -- \$30,000 - These funds are reimbursable to the City by the State Department of Natural Resources. The City's funds should be available for other purposes.

Operating Fund Transfer to CIP - City Hall Renovations -- \$83,000 - This represents the balance of renovation funds which were not identified for cut by the Finance Committee. Renovations are not necessary and are ill-timed in the same year as sprinkler installation.

7993 000 000 - Grants - Conflict Resolution Center -- \$6,250 - This organization did not submit its request by the grant request deadline, and it did not appear before the Finance Committee or the Council to justify the request.

Seconded.

Alderman Carter moved to amend Amendment No. 4 as follows:

Reduce Account 6120-000-000 - Police Overtime (seed money for RAAM underage drinking prevention program from \$10,000 to \$3,750; and restore Account 7993-000-000 - Grants - Conflict Resolution Center - \$6,250.

Seconded. CARRIED on voice vote.

Alderman Tolliver moved to amend Amendment No. 4 as follows:

Reduce CIP (operating fund transfer) - Resurface running track at Weems Whalen Field from \$98,950 to \$68,950 and eliminate Revenues (increase) and General Fund (decrease) 7996-000-214 Increase intergovernmental revenues by \$30,000 to replace general funds for derelict boat removal - Harbormaster (DNR repays City expenditure for this purpose) - \$30,000.

Seconded. CARRIED on voice vote.

Alderman Moyer moved to amend Amendment No. 4 as follows:

Reduce CIP (operating fund transfer) - Resurface running track at Weems Whalen Field from \$68,950 to \$51,450 and eliminate the decrease of Account No. 7996-000-000 Central Services - Restrooms for Barge House Museum - \$17,500.

Seconded. A ROLL CALL vote was taken:

YEAS: Mayor Johnson, Aldermen Sachs, Carter, Fox, Moyer
NAYS: Aldermen Hammond, Tolliver, Gilmer, McMillan
CARRIED: 5-4

Alderman Moyer moved to amend Amendment No. 4 as follows:

Reduce CIP (operating fund transfer) - Resurface running track at Weems Whalen Field from \$51,450 to \$31,450 and eliminate the decrease of Account No. 6110-000-000 Mayor's Office - Salaries (eliminate proposed grade increase and associated salary increase for City Administrator) - \$20,000.

Seconded. A ROLL CALL vote was taken:

YEAS: Mayor Johnson, Aldermen Sachs, Fox, Moyer
NAYS: Aldermen Hammond, Tolliver, Gilmer, McMillan, Carter
DEFEATED: 5-4

Alderman Hammond moved to adopt Amendment No. 4, as amended. Seconded.
A ROLL CALL vote was taken:

YEAS: Aldermen Hammond, Tolliver, Gilmer, McMillan, Carter
NAYS: Mayor Johnson, Aldermen Sachs, Fox, Moyer
CARRIED: 5-4

Alderman Tolliver moved to amend O-23-99 as follows:

Amendment No. 5:

INCREASE BUDGET:		
ACCOUNT NUMBER	ACCOUNT TITLE	AMOUNT
7996-000-253	Road Paving	\$100,000
Decrease Revenues	Real Property Tax (reduce by \$.01)	\$105,000

DECREASE BUDGET:		
ACCOUNT NUMBER	ACCOUNT TITLE	AMOUNT
Increase Revenue	Real Property	\$ 75,000
Increase Revenue	Intergovernmental Revenue - Income Tax	\$130,000

EXPLANATION:

Increases in Budget:

\$100,000 Road Resurfacing -- The schedule of road resurfacing indicates a back-log of resurfacing which prevents timely replacement of badly damaged and heavily traveled roads and postpones for extended years the resurfacing of less traveled, but badly damaged roads. The proposed increase will expand the number of feet of roads to be resurfaced by 40%.

\$105,000 Property Tax Relief – This proposed decrease in the tax rate of \$.01 (in addition to the decrease proposed in amendment #1, co-sponsored by Aldermen Hammond, Tolliver, and McMillan) is offset by an increase in property tax revenue associated with increasing assessed values.

Proposed Decreases:

\$75,000 Property Tax -- Increase in Revenue Projections – Page 29 of the Budget Proposal reports that assessments used to calculate the property tax increased by 4.063%. An increase of 4.063% over budgeted property taxes in FY 1999 (less penalties and taxes) yields an increase of \$136,525 more than budgeted for FY 2000. This increase in projected revenue reflects partial correction.

\$130,000 Income Tax – Increase in Revenue Projections – Page 32 of the Budget Proposal projects income tax revenue in FY 2000 which is nearly \$62,000 **less** than actual income tax received in FY 1998 (2 years prior). Forecasts of by the State of Maryland, the Congressional Budget Office, and the Bank of America consistently show growth in income tax realized and projected growth considerably beyond this. Maryland State revenue projections for FY 2000 show an increase of 5.6% over FY 1999. Annapolis income tax revenue projections for FY 1999 already have been increased to \$2,680,000, which appears conservative in light of actual collections

to date. An increase of 130,000 in the FY 2000 forecast projects growth in FY 2000 of less than 2% above current projections for FY 1999.

Seconded. A ROLL CALL vote was taken:

YEAS: Aldermen Hammond, Tolliver, Gilmer, McMillan, Carter
NAYS: Mayor Johnson, Aldermen Sachs, Fox, Moyer
CARRIED: 5-4

Alderman Tolliver moved to amend O-23-99 as follows:

Amendment No. 6:

On page 2, lines 2 and 7, strike "one dollar seventy cents (\$1.70)" and substitute "one dollar sixty eight cents (\$1.68)".

Seconded. CARRIED on voice vote.

Alderman Tolliver moved to amend O-23-99 as follows:

Amendment No. 7:

In the budget document which serves as an attachment to the ordinance, restore positions and associated funds associated with proposed changes in O-17-99 and O-13-99 to the departments in which they are located in FY 1999.

In the personnel detail at the back of budget document which serves as an attachment to the ordinance, restore to their FY 1999 classifications, grades, and pay schedules the positions proposed in O-15-99 to become subject to annual salary setting as part of the annual budget adoption.

Seconded. CARRIED on voice vote.

Alderman Sachs moved to adopt O-23-99 as amended on second reading.
Seconded. CARRIED on voice vote.

Alderman Hammond moved to adopt O-23-99 as amended on third reading.
Seconded. CARRIED on voice vote.

R-5-99 For the purpose of adopting a capital improvement budget for the Fiscal Year 2000, and a capital improvement program for the six year period from July 1, 1999 to June 30, 2005; and all matters relating to said budget and program.

Alderman McMillan moved to adopt R-5-99. Seconded.

The Finance Committee reported favorably with amendments on R-5-99.

Alderman Sachs moved to amend R-5-99 as follows:

Add New Project - Forest Drive Sidewalks (see attached project sheet) Total project cost is estimated to be \$284,000. SGTP grant funding of \$264,000 has been applied for. The City's share is \$20,000. \$15,000 of this operating fund amount will come from the reduction of the City Hall Renovations Project and \$5,000 from the Capital Outlay amount for the purchase of replacement chairs for the Council Chamber.

Seconded. CARRIED on voice vote.

The main motion, as amended, CARRIED on voice vote.

R-9-99 For the purpose of providing that the City of Annapolis shall participate in the benefits improvement to the State Employees' Pension System of Maryland as adopted by Chapter 176, Laws of Maryland 1999; and all matters relating to said State Retirement and Pension System of Maryland.

There being no voiced objection, R-9-99 was introduced with action to be taken on June 14, 1999.

Upon motion duly made, seconded and adopted, the meeting was adjourned at 8.40 p.m.

**Patricia L. Bembe, CMC/AAE
City Clerk**