

**FY 2012 Budget Report
of
Finance Committee of the Annapolis City Council
May 12, 2011**

Finance Committee Members

Alderman Richard E. Israel, Ward 1, Chairman

Alderman Classie G. Hoyle, Ward 3

Alderman, Ian Pfeiffer, Ward 7

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1. Overview

Authorization and Submission

Authorization

The Code of ordinances of the City of Annapolis, section 2.16.190.A.1, Standing Committees, states:

The **Finance Committee** shall handle all matters relating to the review of the budget and continuous surveillance of the budget. The **Finance Committee** shall have power to review and make recommendations with regard to the Mayor's annual operating budget and shall submit recommendations with regard to the budget to the City Council not later than the second Monday in May of each year. The **Finance Committee** shall review all proposed amendments to [Title 6](#) (Revenue and Finance) of this code.

According to the Code of ordinances of the City of Annapolis, section 6.16.010 Annual City Budget:

A. The Mayor shall submit the proposed annual operating budget, including the impact of any labor negotiations that are ready for City Council review under Section [3.32.060](#), to the City Council no later than the second Monday in March of each year. The budget shall be referred only to the **Finance Committee**, which shall review and may make recommendations with regard to the budget and shall submit the budget, together with any recommendations, to the City Council not later than the second Monday in May of each year.

B. The annual operating budget adopted by the City Council shall provide a complete financial plan for the fiscal year and shall contain estimates of anticipated revenues and proposed expenditures. The budget shall be divided into the following fund groups: general fund, off-street parking fund, dock fund, market house fund, transportation fund, storm water management fund and refuse collection fund group, and water fund and sewer fund group. The total of the anticipated revenues and any estimated fund balance or retained earnings available for expenditure during the fiscal year within each of the aforesaid categories shall equal or exceed the total of the proposed expenditures within the category. Within each of the aforesaid categories, a portion of the estimated fund equity equivalent to five percent of the associated operation budget shall not be appropriated. Furthermore, unless authorized by the City Council, a portion equivalent to an additional five percent of the associated operating budget shall be comprised of cash or cash equivalents and shall not be appropriated. The budget within each category will be a line-item budget. In addition, under the line items of special projects and contract services there will be an itemization of the expenses to be budgeted. The budget shall be a public record in the office of the Director of Finance, open to public inspection during normal business hours.

(Ord. O-16-08 Amended § 1 (part), 2008; Ord. O-21-06 § 1 (part), 2006; Ord. O-40-95 § 1 (part); Ord. O-67-87 § 1; revised during 1985 codification; prior code § 2-9.1)

(Ord. No. O-61-09, § I, 3-8-2010; Ord. No. O-22-10, § I, 6-14-2010)

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Submission

In the Finance Committee Meeting on April 28, 2011 the Committee agreed that the budget will be transmitted for City Council approval via this Report with recommended changes to the Proforma Budget Analysis for FY 2012 as of March 14, 2011 as amended on 4/28/2011 (hereinafter referred to as “Proforma Budget”), and the FY 2012 – 2017 Capital Improvement Program as amended on April 21, 2011 and May 3, 2011. The Pay Plan prepared by Human Resources will also be included as an addendum.

On May 12, 2011 the Committee voted to accept the Draft Report as revised as its final Report. The Report presents the Committee’s recommendations for changes to the Mayor’s proposed FY 2012 Budget as represented by the Proforma Budget Analysis dated March 14, 2011 as revised April 28, 2011. The Report will be converted to ordinance(s) for voting by the City Council. Alderman may submit amendments to the ordinance(s).

Introduction

General

The Mayor presented a budget that represents a 16.1% increase in Expenditures over FY 2011 based on a revised full accounting methodology.

The Mayor prepared a balanced Budget to:

- avoid raising the property tax rate above the current \$0.53 per \$100 of assessed valuation,
- avoid layoffs and
- avoid loss of services.

The proposed budget attempts to minimize enhancements, rebuild fund balances, address long-term liabilities and deal with economic development. The Committee supports the Mayor in attempting to achieve these goals.

The Finance Committee (hereinafter referred to as “the Committee”) extends its great appreciation to the efforts of the Mayor, City Manager, Director of Finance, all other Department Directors and their staff for their efforts in preparing the FY 2012 Budget, related documents, responses to information requests and presentations before the Committee. In particular, the Committee recognizes the preparation and presentation of the Capital Improvement Program as a major step forward in developing a more focused and comprehensive approach to the budget process. The Committee commends the staff for the thoroughness and presentation of the report.

This report represents the results of the Committee’s deliberations on the submitted Budget. The main objective of this report is to provide the requisite approval and recommendations on the Budget submitted by the Mayor for FY 2012. Additionally, the Committee is offering observations and recommendations on future budget presentations.

Process

The Committee began deliberations on the Budget shortly after its submission by the Mayor on March 14, 2011. The Committee engaged the services of William C. Donovan as a consultant to assist in financial analyses, budget reviews and preparation of this

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report. The Committee Chairman invited members of the City Council to fully participate in the Committee's meetings and deliberations. The Committee thanks the other members of the City Council for their participation in Committee meetings and hearings. In particular, the Committee recognizes Alderman Ross H. Arnett (Ward 8) for his significant contributions to its efforts. Additionally, the Committee thanks Alderman Shelia M. Finlayson (Ward 4), Alderman Kenneth A. Kirby (Ward 6) and Alderman Frederick Paone (Ward 2) for their assistance in this process.

The Committee agreed at the beginning of the process that any recommendations made by the Committee resulting in an increase in spending in the budget must be offset by a comparable reduction in expenditures or increase in revenues in the Budget. In the Finance Committee Meeting on April 28, 2011 the Committee unanimously agreed that the Committee will not consider enhancements requested by City Departments that are not in the Mayor's Proforma Budget unless specifically requested by the Mayor.

The Committee held a series of weekly public hearings on Thursday afternoons beginning March 24, 2011. Every Department Director presented their budget to the Committee, answered questions from the Committee and heard public comments. Additionally, for each of the Enterprise Funds and the Annapolis Economic Committee, the Committee heard presentations on the respective budget and conducted question and answer sessions with the respective Director. Finally, the Committee heard presentations by non-profit organizations seeking Community grants from the City of Annapolis to support their efforts.

The Committee considered the budget for each department, enterprise fund, and the Capital Improvement Program separately. The Committee voted on each budget recommendation separately based on a majority vote. Committee members and City Council members are free to offer amendments to the Committee's budget recommendation, if they have disagreements with specific components of the Committee's recommendation. Additionally, the Committee voted separately on the proposed fee increases, operating grants for non-profits and contingency reserves.

The Committee then held a series of three Public Hearings on their deliberations regarding the budget (April 28, May 3 and May 4, 2011). Using the budget submitted by the Mayor (and subsequent revisions as described above), budget presentations, questions and answer sessions and Committee deliberations, the Committee has prepared the following Report. The Committee presents this Report to the full City Council for their consideration of the FY 2012 Budget.

The Committee wishes to express its appreciation for the invaluable assistance of William Donovan, Financial Consultant, and Hilary Raftovich, Aide to the committee in the review process and the preparation of this Report.

Report Structure

This Report comprises five sections. This first section presents an Overview of the Report. The second section presents the Committee's views on the current budgeting process, the budget in general and recommendations for future approaches to the budget process. The third section presents budget recommendations for each department and non allocated expenses of the General Fund. The Fourth section covers the enterprise

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funds. Although fee increases require separate legislation, this report will address recommendations according to the appropriate enterprise fund. The fifth section presents recommendations for the Capital Improvement Program.

Except for recommendations noted in the following report, the Committee accepts the Mayor's Budget as presented in the Proforma Budget Analysis as of March 14, 2011 and revised on 4/28/2011. Unless otherwise stated, all recommendations in the Report apply to the Mayor's FY 2012 Budget only.

Subsequent Events

The Committee has been aware for some time that the City was facing the probability of property tax revenue reductions due to the upcoming reassessment of property values. However, the actual impact was unknown. In a presentation to the Committee on May 3, 2011 Alderman Arnett provided the following information. Joseph Glorioso, supervisor for Anne Arundel County for the Maryland State Department of Assessment and Taxation presented new information to the Annapolis Financial Advisory Commission on April 15, 2011 regarding future real estate tax revenues. According to the State of Maryland, Annapolis is subject to a complete reassessment of real estate values for FY 2013. The State of Maryland estimates that this reassessment will result in an average decrease of 10% for real estate valuations in the City of Annapolis.

The ultimate result of this reassessment has been estimated to be around a \$2,500,000 reduction in property tax revenues for the City of Annapolis for the fiscal years 2013, 2014 and 2015.

The Committee is deeply concerned about the impact of this impending revenue shortfall and has added the following recommendations to this report.

- The Director of Finance will prepare an analysis to accurately quantify the full revenue impact of the reduction in property assessments.
- The Mayor will review the FY2012 budget based on the report from the Director of Finance to consider all possible changes to the budget to alleviate the impact of the potential revenue shortfall.
- All budget savings or revenue enhancements are to go towards boosting the general fund's reserves.

2. Overall Budget

Observations

As had been done in prior years, the City Council and Finance Committee were asked to address the details of the budget. The degree of change in the budget materials for FY2012 coupled with a lack of indoctrination for the City Council made the process of the Budget review extremely difficult. The Finance Committee struggled with the materials. Budget amounts were not consistent across reports. In several instances the budget figures in the Budget Book did not match the relevant figures in the Proforma Budget and it was often unclear in the Budget Book as to which enhancements had been included in the Mayor's Budget. The direction for departments to identify ways to produce a 5% budget reduction was unevenly applied and confusing for the Committee when examining different department's budgets.

The Committee and the City Council cannot perform their fiduciary duties for the citizens of Annapolis without adequate comprehension of the proposed Budget.

The Committee is concerned regarding the low level of repair and maintenance for property, plant and equipment that could lead to major emergencies in the future. There is also real concern regarding the low level of funds allocated to the training budget. This puts the City at risk in terms of maintaining the proficiency and certification of its employees.

The Committee is deeply concerned about the City's long-term liabilities – pension fund obligations, OPEB, Health Insurance costs – which represent a growing portion of the budget. Although the Mayor indicated that this budget was intended to address these costs, there are no specific recommendations made to the Committee from the Mayor.

Recommendations

Budget Process

The Committee recommends development of a Budget Policy through which the City Council and the Committee focus on strategic issues confronting the City – aging infrastructure, capital needs, funding long-term obligations, planning and development, strategic goals of each department, etc. The Committee recognizes that the Administration is much more capable of developing the details of the Budget and that the Committee should focus its efforts on evaluating the requirements for each department or enterprise fund to fulfill its strategic goals – personnel needs, program needs, capital requirements – and only review detail budgets for consistency in meeting goals and objectives..

The Committee recommends that the City Council and the Administration revise the process for Budget approval, the documents used to present the Budget and their interrelationship. Special attention should be given to the steps that the Committee will take to review the Budget – i.e., review revenues, fund balances, expenditures by department/enterprise fund, personnel allocation, capital improvements, etc.

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Revenues

The Committee recommends that the City pursue options of revenue enhancement through the State of Maryland that include exploring the possibility of the State sharing \$.005 per dollar of the sales tax with the City. What risks are there that the City does not receive the allocated funds for different projects?

Financial Reporting

Recognizing the Administration's ongoing implementation of improved financial reporting systems, the Committee recommends that the Administration ensures consistent financial reporting across all departments for comparability and improved elements of control.

The Committee supports the Administration's intention to separately report grant income and the related expenses within the Budget. The Committee recommends that this reporting enhancement be available for the FY2013 Budget.

Repairs and Maintenance

Recognizing the proposals in the Capital Improvement Program to address issues about property, plant and equipment, the Committee recommends that the Administration develop a comprehensive policy to address the ongoing issues of underfunding for preventive maintenance and repairs for the City's infrastructure, equipment and real property.

Training

The Committee recommends that the Administration develop a comprehensive policy to address the concerns that due to budget constraints City employees are not maintaining their necessary licenses and registrations required to perform their responsibilities. This policy needs to be mindful of the City's budget constraints and the needs of the City's administration to have qualified and certified employees. Consideration should be given to a possible cost sharing arrangement with employees.

Personnel

The Committee recommends that no personnel vacancy for the City of Annapolis as of July 1, 2011 be filled without the express approval of the City Council. The Administration must document the necessity of filling the vacancy to the City Council, which will then be required to vote on whether to allow the vacant position to be filled.

The Committee recommends that any contractual employee whose position is being converted to a civil service position can not be paid from any funds as a civil service employee until the Civil Service Board approves the conversion.

The Committee recommends that any contractual employee whose position is being converted to an exempt position can not be paid from any funds as an exempt employee until legislation has been enacted creating or authorizing the exempt position.

Salaries

The Committee recognizes that the Proforma Budget reflects continuation of furlough days.

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Long-Term Liabilities

The Committee recommends that the Administration prepare detailed projections of the costs of the City's long-term liabilities that relate to employee benefits – pension contributions, OEPB and Health Insurance – and other long-term liabilities – infrastructure, vehicles, etc.

The Committee recommends that the Administration develop a plan to address these and other long-term liabilities through the creation of trust funds or other appropriate measures for funding these costs.

3. General Fund Departments

Mayor's Office

Personnel

The Committee recommends that the WMBE Coordinator return to the Mayor's Office to continue to reflect the importance of this office across all aspects of the City's business practices. This would transfer salary of \$82,193 plus benefits from Finance to the Mayor's Office.

The Committee recommends allocating the Council Associate's salary and benefits across all responsibilities in the future (not FY2012).

Economic Development

The Committee recommends that the Administration conduct a review of the enabling legislation for the Annapolis Economic Development Corporation to verify that its planned activities are consistent with the City Council's intent.

The Committee recommends reducing the special projects allocation to the Annapolis Economic Development Corporation from \$446,500 to \$435,000. The Committee recommends that payment be made on a quarterly basis to be determined by the Administration.

The Committee agrees to the Administration's proposal to move the \$50,000 for contract services to Planning and Zoning to reflect Planning and Zoning's assumption of responsibility for managing the Main Street, City Dock and Arts and Entertainment District projects.

Office of Law

Contract Services

The Committee recommends that \$45,000 of contract funds for legal services be returned to the Office of Law from Finance (\$20,000) and Human Resources (\$25,000) for better oversight and control.

Finance

Personnel

The Committee recommends moving the WMBE Coordinator (Salary of \$82,193 plus benefits) back to the Mayor's Office.

Contract Services

The Committee recommends returning \$20,000 in contract services funds to Office of Law.

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Human Resources

Contract Services

The Committee recommends allocating \$12,000 for random drug screening as requested by the Administration and that the Administration determines the offset to this increase.

The Committee recommends the return of \$25,000 added to Legal/Contract Negotiations to the Office of Law.

Planning and Zoning

The Committee recommends transferring \$50,000 of contract services from Economic Development to Planning and Zoning to reflect their management of the Main Street, City Dock and Arts an Entertainment projects.

Law Enforcement

The Committee recognizes the potential need for additional funds for Crime Lab enhancements depends upon the timing of licensing requirements. The Committee recommends that the Administration monitor this situation and report back to the Committee as necessary if new funds are required.

Fire Department

The Committee accepts the Administration's recommendation that \$11,130 to fund hepatitis vaccinations be sourced from the Fire Department's existing FY2012 budget.

Neighborhood and Environmental Programs

The Committee has no recommendations and accepts the budget as presented.

Public Works

The Committee has no recommendations and accepts the budget as presented.

Parks and Recreation

The Committee recommends that the Administration prepare a report on the viability of contracting the operations of the Pip Moyer Recreation Center to a private contractor. This report is due to the Committee for consideration no later than January 2012.

Non Allocated Expenses

Grants and other Not-for-Profit Donations

The Committee recommends the allocation of a maximum of \$250,000 for grants for FY 2012. The Committee recommends payments be made on a quarterly basis as determined by the Administration. The allocation of the grants is yet to be determined.

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Contingency Reserve

The Committee concurs that the contingency reserve be set at \$250,000.

Fuel Contingency

The Committee understands the difficulty confronting the Administration in accurately assessing the impact of rising fuel costs for FY 2012. The Committee concurs that the fuel contingency reserve be set at \$200,000. The Committee expects that with the implementation of the new accounting system budget estimates will be more accurate and the need for such a large contingency will be eliminate.

Fleet/Capital Improvement

The Committee commends the Administration in its effort to develop a comprehensive Vehicle Replacement Program as presented in the CIP Report. The Committee concurs with that the initial allocation to fleet/capital replacement reserve be set at \$300,000.

Self General and Liability Insurance

The Committee requests assurances that the Administration has conducted the appropriate analyses and consulted with professional advisors on the determination of \$654,042.04 for self insurance and concurs with the amount determined.

Other Reserves

Health Insurance Costs, Employee Pensions, Employee OPEB are blank in the Budget and are incorporate in the overall benefits information. The Committee recommends that more detailed information be presented when available.

4. Enterprise Funds

General

The Finance Committee recommends the proposed fees presented by the Administration in Resolution R-15-11 except as noted in this section of the report and except for solid waste, water, sewer, storm water, transportation and sidewalks. Fees proposed by the Administration for solid waste, water, sewer, storm water, transportation and sidewalks are addressed separately in this Report.

The Committee recommends that the Administration examine and report to the Committee on the possibility of developing a two-tier system for fees on Alcoholic Beverage Licenses for off sale package goods.

The Committee supports the rationale for fee increases in City services. Tough decisions are required to end General Fund subsidies to enterprise funds. The Committee supports the concept of Enterprise Funds paying back General Fund's loans as quickly as practical. Support necessity of modernizing City's infrastructure and developing a plan to maintain that infrastructure.

The Committee supports and encourages the Administration's efforts to collect full fees for all City services from all other Government entities in Annapolis. The Committee requests a report on the all fee discrepancies with other Government entities by October 2011.

The Committee recommends that the City take a proactive stance on proposed fee increases through extensive community outreach – articles in paper, editorials, City web site, community meetings, etc. The Committee believes it is vitally important that the citizens of Annapolis have a clear understanding of the financial issues confronting the City and are fully informed of the reasons for the proposed fee increases.

The Committee recommends that the Administration explore and report to the Committee on the possibility of developing some sort of circuit breaker or revised pricing structure to help low income citizens and those on a fixed income deal with the proposed increases in fees. The Committee is willing to work with the Administration in exploring any and all options.

Refuse / Solid Waste

The Committee supports the reorganization and accepts the proposed changes to services in an effort to cut the subsidies from the General Fund. The Committee recommends review of impact on service changes with extensive citizen feedback after six months.

The Committee supports the fee increase from \$380 per residence per year to \$426.

The Committee recommends that the Department of Public Works evaluate the costs and benefits of contracting out solid waste collection and snow removal and submit a report of its finding to the Committee on or before January 2012.

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Water Fund

The Committee supports the overall strategy of setting water pricing to allow for additional funds for capital projects, operating reserves, capital reserves and projected debt service. The Committee wants the Administration to verify that rates apply to all users equally.

The Committee supports the three tiered **water rate structure** and rate increases.

- Base fee (0 – 5,000 gallons) - \$15.60/quarter
- Tier 1 Fee (5001-35,000 gallons) – from \$2.42/1000gallons to 5.32/1000 gallons.
- Tier 2 Fee (over 35,000 gallons) – from \$2.82/1000gallons to 6.20/1000 gallons.

The Committee accepts the Water Fund budget.

Waste Water Fund

The Committee supports the overall strategy of setting waste water pricing to allow for additional funds for capital projects, operating reserves, capital reserves and projected debt service. The Committee wants the Administration to verify that rates apply to all users equally.

The Committee supports the three tiered **waste water rate structure** and rate increases.

- Base fee (0 – 5,000 gallons) - \$18.19/quarter
- Tier 1 Fee (5001-35,000 gallons) – from \$2.82/1000gallons to 5.33/1000 gallons.
- Tier 2 Fee (over 35,000 gallons) – from \$3.29/1000gallons to 6.22/1000 gallons.

The Committee accepts the Waste Water Fund budget.

Storm Water Management Fund

The Committee supports the concept that fees should provide funding for capital projects, maintenance and repair of City's storm drain system including inlets, pipes, outlets and structures. Additionally funding is necessary for code compliance inspections and operations and management of City-owned best management practices.

The Committee supports the Storm Water Fees increases of:

- Residential: From \$22/year to \$40 per year
- Commercial: From \$120/year to
 - <5,000 sf of impervious area - \$150/year
 - >5,000 – 10,000 sf of impervious are - \$300/year
 - >10,000 sf of impervious area - \$500/year
- 50% rebates for best management practices.

Sidewalk Revolving Fund

The Committee recognizes that the sidewalk fund is a work in progress. The Committee supports the concept for a sidewalk fund, the schedule presented for the initial stages of the sidewalk project and the proposed changes to code. Assuming the legality of the fund

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is confirmed, the Committee supports the proposed allocation of \$500,000 to repairing sidewalks.

The Committee encourages the Administration to incorporate citizen recommendations in the determination of repair priorities.

Market House Fund

The Committee appreciates the speed with which information was collected on Market House expenditures. However, the Committee requests a comprehensive report on funds expended on the Market House in FY 2011 and those proposed to be expended in FY 2012. The report should summarize the sources and uses of the funds.

Transportation Fund

The Committee accepts the fee increase for basic bus service from \$1.00 to \$1.50 along with other related fare changes and accepts the proposed Circulator fare of \$0.50.

The Committee accepts the Administration's proposal to reallocate a total of \$17,209 to training in conformity with Federal Grant rules from other areas in the Transportation Fund budget.

Similarly, the Committee accepts the Administration's proposal to reallocate \$35,369 for matching funds for capital equipment grants from other areas of the Transportation Fund budget.

The Committee supports the Circulator concept and the allocation of \$143,000 to fund the start-up of the project. The Committee requests the preparation of an analysis by Transportation detailing financial and operational aspects of the Circulator prior to implementation. The report should also include expected milestones and performance indicators. The Committee requests that a similar financial and operational evaluation of the performance of the Circulator be presented to the Committee after six months of operations to evaluate assumptions and performance of the Circulator.

The Committee supports the Administration's transfer of Parking Operations from the Police Department to the Transportation Fund. Unless there is a legal or financial control reason for not doing so, the Committee recommends transferring revenues associated with parking operations (parking meters, parking fines, etc.) to the Transportation Fund.

The Committee recommends allocating \$100,000 to the acquisition of the Automatic License plate recognition (ALPR) equipment. It is anticipated that the equipment will pay for itself through increases in parking fines.

Off-Street Parking Fund (Transportation)

The Committee supports the transfer of off-street parking to the Transportation Department.

The Committee supports allowing the Department of Transportation to bid on the RFP for managing the City's parking garages.

The Committee recommends that the Administration explore the implementation of market based pricing for the City's off-street parking.

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Dock Fund

The Committee recommends that the Administration prepare a report that assesses the viability of increasing Dock fees to more fully reflect the costs of improvements being made to the City Dock to be delivered by November 2011.

5. Capital Improvement Program

General

The Committee recommends further discussions on the Capital Planning and Budget Policy. The policy needs to incorporate the impact of Title 22.

The Committee will incorporate the Capital Improvement Program as amended into the Budget approval.

General Fund

The Committee recommends allocating \$250,000 for the Maintenance Facilities project subject to a report prepared by October 15, 2011 outlining the plan for and justification for consolidating city vehicle repair and maintenance facilities.

The Committee recommends approving continuation of the City Hall Restoration without allocating FY 2012 funds.

The Committee recommends approving continuation of the Market House Improvements without allocation of FY 2012 funds.

The Committee recommends allocating \$200,000 to the Facility and Infrastructure Asset Management project subject to additional examination of leased properties (City as lessor and lessee). The report should consider possible property disposals.

The Committee recommends allocating \$150,000 for Stanton Center repairs.

The Committee recommends allocating \$2,000,000 for the General Roadways project.

The Committee recommends allocating \$500,000 to General Sidewalks Project. The Committee recommends proceeding subject to establishment of the Sidewalk Fund.

The Committee recommends allocating \$452,300 to the Greenfield Street relocation project.

The Committee recommends allocating \$140,000 to City Dock Development subject to close coordination with other related project - Market House Improvements and Harbormaster Building – and report on enhancing Dock fees.

The Committee recommends allocating \$200,000 for Truxtun Park improvements.

The Committee recommends allocating \$989,990 for Landfill Gas Mitigation.

The Committee recommends allocating \$260,000 for capital grants for not-for-profit organizations. The Committee requests a report on the funds promised and timing versus the actual expenditures.

The Committee approves the implementation of the Vehicle Replacement Program with \$300,000 of funds previously recommended in the General Fund section for FY2012.

No funds from any source shall be expended to purchase a motor vehicle for any city personnel until the city manager submits a written city vehicle policy to the City Council setting out criteria for the assignment and use of vehicles.

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Enterprise Funds

The Committee recommends allocating \$100,000 for the Stormwater Management Retrofit project

The Committee recommends approving the Stormwater BMP without funds from FY 2012.

The Committee recommends allocating \$50,747,000 for the design and building of a new water treatment plant contingent upon the City conducting extensive high level negotiations with Anne Arundel County on options for joint operations, sharing or some form of coordinated approach to a new water plant. Additionally, the current consultant will be required to produce analysis that identifies the economic impact of a joint County and City plan versus a City-only solution (depending upon results of negotiations).

The Committee recommends allocating \$1,718,000 for the water distribution rehabilitation project.

The Committee recommends allocating \$1,239,000 for the sewer pumping station.

The Committee recommends allocating \$1,050,000 for the sewer rehabilitation and upgrades.

The Committee recommends allocating \$413,000 for the SCADA/Radio Upgrade project.

The Committee recommends approving the Hillman Garage project without funds from FY 2012.

The Committee recommends approving the Bulkhead Replacement project (phase2) without funds from FY 2012.

The Committee recommends approving the Harbor Master Building project without funds from FY 2012.

Long Term Capital Program

The Committee approves the long-term capital program subject to available funding and subject to the restriction that the Maryland Avenue Project will not proceed until the State of Maryland provides funds.