

*BALTIMORE COUNTY COUNCIL
NOTES TO THE AGENDA
LEGISLATIVE SESSION 2015*

*Issued: September 10, 2015
Work Session: September 15, 2015
Legislative Day No. 15: September 21, 2015*

*The accompanying notes are
compiled from unaudited
information provided by
the Administration and
other sources.*



OFFICE OF THE COUNTY AUDITOR

BALTIMORE COUNTY COUNCIL

September 21, 2015

NOTES TO THE AGENDA

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* See Addendum

**BALTIMORE COUNTY COUNCIL AGENDA
LEGISLATIVE SESSION 2015, LEGISLATIVE DAY NO. 15
SEPTEMBER 21, 2015 6:00 P.M.**

**CEB = CURRENT EXPENSE BUDGET
BY REQ. = AT REQUEST OF COUNTY EXECUTIVE**

Page

CALL OF BILLS FOR FINAL READING AND VOTE

NO BILLS

APPROVAL OF FISCAL MATTERS/CONTRACTS

ED ADAMS, DIRECTOR, DEPARTMENT OF PUBLIC WORKS

- 1 1. Contract – Alban Tractor Company, Inc. – Heavy Equipment Rentals – Eastern Sanitary Landfill - PW

KEITH DORSEY, DIRECTOR, OFFICE OF BUDGET AND FINANCE

- * 2. Contract – Cigna Health and Life Insurance Co./Cigna Healthcare MidAtlantic - Benefits. - OBF
4 3. Contracts – Benefit Strategies, LLC – Flexible Spending Account Administration – OBF
8 4. Amendment to Contract - Honeywell International, Inc. - Extension of service/maintenance of Honeywell Equipment - OBF

MIKE FIELD, COUNTY ATTORNEY, OFFICE OF LAW

- * 5. Contract - Municipal Code Corporation - Produce, supplement, web host & sale - Baltimore County Code - LAW

MISCELLANEOUS BUSINESS

COUNCIL

- 17 1. Correspondence - (a)(1) - Non-Competitive Awards (August 7, 2015)
10 2. Res. 73-15 - Mr. Marks - Expanding the Towson Revitalization District

LIZ GLENN/ANDREA VAN ARSDALE, DEPARTMENT OF PLANNING

- 11 3. Res. 74-15 - Mrs. Bevins(By Req.) - Endorsement of Application - Dundalk Renaissance Corp. - MD. DHCD
Comm. Investment Tax Credit Program
11 4. Res. 75-15 - Mrs. Bevins(By Req.) - Approval of Application - Dundalk Renaissance Corp. - Baltimore
Regional Neighborhood Initiative Projects

COUNCIL

- 14 5. Res. 76-15 - Mr. Marks - Local Open Space Waiver Fees

* See Addendum

FM-1 (Contract)

Council District(s) 6

Department of Public Works

Heavy Equipment Rentals – Eastern Sanitary Landfill

The Administration is requesting approval of a contract with Alban Tractor Co., Inc. to provide heavy equipment rental services as needed at the Eastern Sanitary Landfill. The contract commences upon Council approval, continues for 1 year, and will automatically renew for four additional 1-year periods with the option to further extend the initial term or any renewal term an additional 120 days. Annual compensation may not exceed the amount appropriated for these services during the entire contract term. Estimated compensation totals \$10,500 for the initial 1-year term and \$125,000 for the entire 5-year and 4-month term, including the renewal and extension periods.

Fiscal Summary

Funding Source	Initial Term	Total Compensation
County ⁽¹⁾	\$ 10,500	\$ 125,000
State	--	--
Federal	--	--
Other	--	--
Total	\$ 10,500 ⁽²⁾	\$ 125,000 ⁽³⁾

⁽¹⁾ General Fund Operating Budget.

⁽²⁾ Estimated compensation for the initial 1-year term. The contract does not specify a maximum compensation for the initial 1-year term. Compensation may not exceed the amount appropriated for these services.

⁽³⁾ Estimated compensation for the entire 5-year and 4-month term, including the renewal and extension periods. The contract does not specify a maximum compensation for the entire contract term. Annual compensation may not exceed the amount appropriated for these services during the entire contract term.

Analysis

The contractor will provide heavy equipment rentals (e.g., loader, excavator, dozer, backhoe) as needed at the Eastern Sanitary Landfill. The Department advised that it is necessary to rent replacement equipment when County-owned equipment is under repair.

Unit prices vary according to the type of equipment and the length of time the equipment is rented, ranging from \$500 per week or \$1,500 per month for a mini excavator, to \$5,500 per week or \$16,500 per month for a particular model dozer. In addition, the contract stipulates that the County may add heavy equipment to the contract at any time during the term of the contract. Should this occur, the contractor will be notified and may quote a price for rental of the additional equipment, which the County may accept or reject; if the quote is rejected, the County may then solicit bids on the open market for rental of the additional equipment.

The contract commences upon Council approval, continues for 1-year, and will automatically renew for four additional 1-year periods with the option to further extend the initial term or any renewal term an additional 120 days on the same terms and conditions, unless the County provides notice of non-renewal. The contract does not specify a maximum compensation for the initial 1-year term or for the entire 5-year and 4-month term, including the renewal and extension periods. Rather, the contract provides that "In no event shall the total compensation paid to the contractor...exceed the approved appropriation during the entire term of this agreement including renewals thereof..." Estimated compensation totals \$10,500 for the initial 1-year term and \$125,000 for the entire 5-year and 4-month term, including the renewal and extension periods.

Prior to the commencement of each renewal period, the County may entertain a request for an escalation in unit prices in accordance with the Consumer Price Index – All Urban Consumers – United States Average – All Items (CPI-U), as published by the United States Department of Labor, Bureau of Labor Statistics at the time of the request, or up to a maximum 5% increase on the current pricing, whichever is lower. The County may terminate the agreement by providing 30 days prior written notice.

The contract was awarded through a competitive procurement process based on best value, experience, and low bid from three bids received, of which one bid was deemed non-responsive.

On August 1, 2011, the Council approved a similar 5-year and 3-month contract, estimated to total \$229,081, which commenced September 7, 2010, with Alban Tractor Co., Inc. As of August 27, 2015, expenditures under this contract totaled \$116,499.

County Charter, Section 10-2-303, requires that a contract for the lease of commodities which exceeds \$50,000 in the aggregate must be approved by the County Council before it is executed.

FM-3 (Contract)

Council District(s) All

Office of Budget and Finance

Flexible Spending Account Administration

The Administration is requesting approval of a contract with Benefit Strategies LLC to administer the County's employee health care and dependent care flexible spending accounts (FSAs). The contract commences January 1, 2016, continues for 3 years, and will automatically renew for two additional 1-year periods with the option to further extend the initial term or any renewal term an additional 90 days. Compensation may not exceed the amount appropriated for these services. Estimated compensation totals \$165,936 for the initial 3-year term and \$290,387 for the entire 5-year and 3-month term, including the renewal and extension periods. See Exhibit A.

Fiscal Summary

Funding Source	Initial Term	Total Compensation
County ⁽¹⁾	\$ 165,936	\$ 290,387
State	--	--
Federal	--	--
Other	--	--
Total	<u>\$ 165,936</u> ⁽²⁾	<u>\$ 290,387</u> ⁽³⁾

⁽¹⁾ General Fund Operating Budget.

⁽²⁾ Estimated compensation for the initial 3-year term. The contract does not specify a maximum compensation for the initial 3-year term. Compensation may not exceed the amount appropriated for these services.

⁽³⁾ Estimated compensation for the entire 5-year and 3-month term, including the renewal and extension periods. The contract does not specify a maximum compensation for the entire 5-year and 3-month term.

Analysis

Flexible spending accounts (FSAs) allow employees to set aside pre-tax funds to pay for specific dependent care (\$5,000 annual maximum contribution) and health care (\$2,500 annual maximum

contribution) expenses. The contractor will administer the FSAs, including reimbursement of expenses to employees of the County General Government, Library, Revenue Authority, and Community College. The contractor will offer debit cards to all FSA participants, automating the claims substantiation process and allowing for timely and accurate reimbursements at a significantly lower administrative expense. The debit cards will allow employees to pay for approved health care expenses by deducting transaction costs directly from their FSAs.

The contract commences January 1, 2016, continues for 3 years, and will automatically renew for two additional 1-year periods with the option to further extend the initial term or any renewal term an additional 90 days on the same terms and conditions, unless the County provides notice of non-renewal. The contract does not specify a maximum compensation for the initial 3-year term or the entire 5-year and 3-month term, including the renewal and extension periods. Rather, the contract states that "In no event shall the compensation paid to the contractor exceed the... approved appropriation during the entire term of this agreement including renewals thereof."

The Office advised that currently there are 1,492 participants (the current rate per participant is \$3.50 per month) with FSAs and does not expect a major variance in the number of participants during the entire term of the contract. The contractor will be paid \$3.00 per participant per month during the first three years of the agreement. The contractor will also provide discrimination testing, which allows the FSA plan to qualify for tax-favored status, at a unit rate of \$400 per entity per year. Accordingly, estimated compensation totals \$165,936 for the initial 3-year term, and totals \$290,387 for the entire 5-year and 3-month term, including the renewal and extension periods, assuming a steady participation rate and a flat fee. The contract stipulates that no rate revision may occur if the number of participants varies by less than +/-15% at any time after the effective date. A cost savings of approximately \$38,000 is expected over the 5-year and 3-month term of the contract. The County may terminate the agreement by providing 30 days prior written notice.

The contract was awarded through a competitive procurement process based on technical qualifications and cost, with final terms determined through a negotiation process. The Office advised that eight proposals were received, of which four proposals were deemed non-responsive.

On June 19, 2006, the Council approved a similar 10-year contract, which commenced September 1, 2006, with Alliance Benefit Group – MidAtlantic, LLC, presently Total Administrative Services Corporation (TASC), with estimated total compensation of \$453,033. The Office advised that as of September 3, 2015, \$167,363 has been expended since FY 2012. (Prior expenditure information was not available.)

County Charter, Section 715, requires that “any contract must be approved by the County Council before it is executed if the contract is...for services for a term in excess of two years or involving the expenditure of more than \$25,000 per year....”



COUNCIL ACTION REQUEST FORM EXECUTIVE SUMMARY

BENEFIT STRATEGIES LLC

FLEXIBLE SPENDING ACCOUNT ADMINISTRATION

This request seeks approval of a contract with Benefit Strategies LLC for Flexible Spending Account (FSA) Administration for General Government (including Library and Revenue Authority) and CCBC active employees. This benefit allows employees to set aside pretax funds to pay for their medical or dependent care expenditures. The initial term of the contract is for three (3) years effective January 1, 2016 to December 31, 2018. Thereafter, the contract includes two (2) one-year renewal options. The County's cost estimate during the Initial Term is \$165,936.

Benefit Strategies was recommended by the FSA Selection Committee to provide Flexible Spending Account Administration. Benefit Strategies' commitment to service will provide more efficient claim processing and improve member satisfaction. The addition of a dedicated and accessible account team will minimize the County's administrative workload. Benefit Strategies' competitive pricing will provide administrative savings compared to our current FSA Administration contract.

Prepared by: Office of Budget and Finance

FM-4 (Contract Amendment)

Council District(s) All

Office of Budget and Finance

Extension of Service/Maintenance of Honeywell Equipment

The Administration is requesting an amendment to a contract with Honeywell International, Inc. to continue providing temperature control system maintenance services for the County Courts and Jefferson Buildings. The proposed amendment increases the maximum compensation of the contract by \$14,723, from \$207,299 to \$222,022, for the entire 5-year and 4-month term. The County exercised its option to extend the contract by 120 days (through October 6, 2015) to allow time to solicit a new contract for these services and required additional maintenance services for new equipment that was installed in the Jefferson Building.

Fiscal Summary

<u>Funding Source</u>	<u>Contract Amendment</u>	<u>Current Maximum Compensation</u>	<u>Amended Maximum Compensation</u>
County ⁽¹⁾	\$ 14,723	\$ 207,299	\$ 222,022
State	--	--	--
Federal	--	--	--
Other	--	--	--
Total	<u>\$ 14,723</u> ⁽²⁾	<u>\$ 207,299</u>	<u>\$ 222,022</u> ⁽³⁾

⁽¹⁾ General Fund Operating Budget.

⁽²⁾ Additional compensation for the 120-day extension period.

⁽³⁾ Maximum compensation for the entire 5-year and 4-month term.

Analysis

Under the proposed amendment, the contractor will continue to provide all labor, equipment, materials, supervision, tools and related incidentals required to maintain, repair, overhaul, or replace existing Honeywell temperature control equipment and software for the County Courts

and Jefferson Buildings. The contract provides that the temperature control equipment must be fully functional and operational at all times during the term of the contract.

On June 7, 2010, the Council approved the original 5-year and 4-month contract, with compensation not to exceed \$207,299. The proposed amendment increases the maximum compensation of the contract by \$14,723, from \$207,299 to \$222,022, for the entire 5-year and 4-month term. The amendment is necessary since the County exercised the 120-day extension option to allow time to solicit a new contract for services and for additional maintenance services for new equipment that was installed during renovations to the Jefferson Building. All other terms and conditions remain the same. The County may terminate the agreement by providing 30 days prior written notice.

The original contract was awarded as a negotiated procurement after a competitive procurement process yielded only one response, which was from Honeywell International, Inc. The Office advised that as of August 31, 2015, \$206,371 has been expended/encumbered under this contract.

County Charter, Section 715, requires that “any contract must be approved by the County Council before it is executed if the contract is...for services for a term in excess of two years or involving the expenditure of more than \$25,000 per year....”

MB-2 (Res. 73-15)

Council District(s) 5

Mr. Marks

Expanding the Towson Revitalization District

Resolution 73-15 expands the Towson Commercial Revitalization District.

Commercial revitalization districts provide incentives to property owners and businesses in the districts to improve the exterior of existing buildings and to develop and redevelop underused properties. The purpose of Resolution 73-15 is to spur the redevelopment of the Kenilworth Mall by including the mall property in the Towson Revitalization District.

This resolution shall take effect from the date of its passage by the County Council.

MB-3 (Res. 74-15)
MB-4 (Res. 75-15)

Council District(s) 7

Mrs. Bevins (By Req.)

Department of Planning

**Endorsement and Approval of Applications –
Maryland DHCD Community Investment Tax Credit Program and
Baltimore Regional Neighborhood Initiative Projects**

The Administration is requesting the endorsement/approval of the Dundalk Renaissance Corporation's (DRC) applications to the Maryland Department of Housing and Community Development (DHCD) for the Community Investment Tax Credit (CITC) Program (Res. 74-15) and the Baltimore Regional Neighborhood Initiative (BRNI) Grant Program (Res. 75-15) in order to raise funds to be used for the revitalization of Dundalk.

Fiscal Summary

These resolutions have no fiscal impact to the County since the Community Investment Tax Credit Program and the Baltimore Regional Neighborhood Initiative Grant Program are state programs.

Analysis

The DRC is a nonprofit organization whose mission is to promote and revitalize the Dundalk community. The organization works in partnership with a wide range of stakeholders, including community residents, the government, and the private sector, to implement projects and seek investments that revitalize Dundalk. The DRC's activities include: organizing and participating in community-building events; serving as a resource and support to Main Street businesses; promoting a positive community image through marketing; assisting new and potential home-buyers in Dundalk neighborhoods; and providing leadership on planning and development issues.

MB-3 (Res. 74-15)

The DRC will request an allocation of \$20,000 in tax credits over 2 years (January 2016 through December 2017) from the CITC Program. The DRC will use the tax credits to raise funds to support staff time, advertising, and other costs associated with its marketing events, including the Housing Fair and Neighborhood Tours event, the Neighborhood Close Up events, outdoor waterfront concerts, and other events designed to attract potential new residents to Dundalk.

The purpose of the CITC Program is to support nonprofit organizations by awarding allocations of state tax credits for use as incentives to attract contributions from individuals and businesses to benefit local projects and services; the FY 2016 allocation for the CITC Program is \$1.75 million. Eligible nonprofit organizations can be granted allocations of up to \$50,000 in tax credits to be awarded to individuals and businesses that make donations of \$500 or more toward approved projects. Under the tax credit program, individuals and businesses that make contributions to nonprofits for approved projects receive state tax credits equal to 50% of the value of the contributions of cash, real property, or goods. These tax credits may be claimed in addition to the usual state and federal deductions for charitable contributions.

MB-4 (Res. 75-15)

The DRC will request a grant of up to \$1.2 million over 2 years (January 2016 through December 2017) from the BRNI Grant Program. The DRC will use the grant funds for the following purposes:

Market Boost Fund - for acquisition and renovation of homes by the DRC as well as to support a partnership with private investors to increase the number of renovated properties for sale in ZIP 21222	\$700,000
DRC's personnel expenses and graphic design services for Main Street businesses and marketing	230,000
Homebuyer Incentive Grants – to attract middle-income purchasers to ZIP 21222	150,000
Curb Appeal Fund – to provide grants for exterior improvements by homeowners and to fund neighborhood tree plantings by DRC volunteers	120,000
Total	<u><u>\$1,200,000</u></u>

On August 4, 2014 and August 5, 2013, the Council approved similar resolutions (Res. 65-14 and Res. 68-13) endorsing the DRC's applications to the BRNI Grant Program for grants of up to \$1 million and \$1.5 million, respectively.

The BRNI was created as a pilot program during the 2013 Maryland General Assembly Session. BRNI grants provide strategic investment in local housing and businesses which can lead to healthy, sustainable communities with a growing tax base and enhanced quality of life. The BRNI targets communities in Baltimore City and the Inner Baltimore Beltway where modest investment and a coordinated strategy may have an appreciable neighborhood revitalization impact. Eligible projects may be either residential or commercial and include strategic property acquisition, redevelopment, rehabilitation, and new infill development. The FY 2016 budget for the BRNI Grant Program is \$3 million in capital and \$750,000 in operating funds.

The state requires, as part of the application process, that local governing bodies endorse/approve the applications submitted to the CITC and BRNI Programs.

These resolutions shall take effect from the date of their passage by the County Council.

MB-5 (Res. 76-15)

Council District(s) 5

Mr. Marks

Local Open Space Waiver Fees

Resolution 76-15 adopts a schedule of fees for local open space waivers.

The Department of Recreation and Parks may allow an applicant for development plan approval to pay a fee to the Local Open Space Revenue Account instead of dedicating a certain portion of land for open space. The Local Open Space Waiver fee was established in March 2000 as a reasonably proportionate offset for the cost to the County to acquire alternate recreational land. The law requires the Administrative Officer to review the fees at least once every 2 years. The County Council adopts the fees by resolution. The fee rates were last adjusted in May 2013.

In May 2013, the Council asked the Planning Board to develop “a comprehensive formula for the manner of establishing local Open Space waiver fees.” Instead, the April 23, 2015 Board report recommends that the Council “consider an increase” in such fees. The Board report includes a Department of Planning staff report which, on the other hand, recommends “retaining the existing fee structure and renewing all exemptions.” The County Administrative Officer concurs with the staff recommendation.

Resolution 76-15 readopts the May 2013 fees with one exception: a new fee is established for the B.M. (Business Major) - C.T. (Commercial, Town Center Core) District. The fee is \$2,000 per unit (excluding dormitories).

The fee is to be applied retroactively in some cases as follows:

The fee for the B.M.-C.T. District applies retroactively to a development plan filed prior to the effective date of the resolution; except that the fees shall not apply to a development plan for which (i) an administrative law judge hearing has been held; (ii) the administrative law judge has issued a written decision approving the development plan; and (iii) the 30 day appeal period following the issuance of the written decision has expired, making the decision final. For a development plan filed prior to the effective date, the fee applicable to a development plan for which an administrative law judge hearing has been held prior to the effective date of this resolution shall be 40% of the fee listed herein, and the fee applicable to a development plan for

which a concept plan has been filed prior to the effective date of this resolution, but an administrative law judge hearing not yet held, shall be 75% of the fee listed herein.

Additionally, for any approved development plan, as may be refined, to which an increased fee is retroactively applied, any contribution made by a development plan applicant, or any of its affiliates, to a public recreational project within a 3-mile radius of the property that is subject of the development plan shall count toward the fee imposed hereunder, and the Director of Permits, Approvals and Inspections shall not require a new open space waiver application, but shall collect such increased fee at the time required under the Baltimore County Code. Such fee or payment of fee shall not be appealable.

The most recently adopted local open space waiver fee structure applicable to developments in a CT district was established through Resolution 63-00 in August 2000. Under that structure, the fee for a development in a CT district is \$0 for the first 100 units and \$5,000 for each additional 25 units. For a hypothetical 400-unit development, the applicable fee proposed by Resolution 76-15 would be \$800,000, as opposed to \$60,000 under the previous fee structure.

Current per-unit fees for other zoning classifications (based on a 1,000 sq. ft. open space requirement per dwelling unit) are as follows:

DR 1	\$1,380
DR 2	\$2,300
DR 3.5	\$3,440
DR 5.5	\$3,790
DR 10.5	\$4,360
DR16	\$5,740
RC 2	\$220
RC 3	\$690
RC 4	\$530
RC 5	\$1,100
RC 6	\$550
RC 7	\$220
RC 8	\$230
RC 20	\$280
RC 50	\$150

Resolution 76-15 will take effect from the date of its passage by the County Council.

BALTIMORE COUNTY COUNCIL
NOTES TO THE AGENDA
APPENDIX A

**BALTIMORE COUNTY, MARYLAND
INTER-OFFICE CORRESPONDENCE**

TO: Fred Homan
Administrative Officer

DATE: 8/07/15

FROM: Keith Dorsey, Director
Office of Budget & Finance 

**COUNCIL MEETING
DATE:** 9/21/15

SUBJECT: Public Recordation of Announcement
of Non-Competitive Awards Charter Sec. 902(f)

Whenever a contract over \$25,000 is awarded by a process other than a formal competitive bid, a copy of the contract must be given to the County Council, and at the next legislative session-day following the award of the contract, the Secretary to the County Council shall formally announce to the Council the nature of the contract and the parties to the contract. The announcement shall be recorded in the minutes of the County Council, and shall be available for inspection by the public. In compliance with this procedure, information is attached concerning the following awards, which are to be forwarded to the County Council:

Purchase Order

PO 8292 Verizon – 13058 RX1, WX2 – Owings Mills Boulevard

This purchase order represents relocation of distribution facilities on Owings Mills Boulevard South at Lyons Mill Road under Capital Improvement Contract 13058-RX1, WX2. Verizon owns the distribution facilities and is the only source for this relocation work.

Amount Total: \$51,906.00
Award Date: 08/07/15

c: M. Field
T. Peddicord
L. Smelkinson