

**CITY OF BALTIMORE
COUNCIL BILL 05-0114R
(Resolution)**

Introduced by: Councilmembers Harris, Kraft, Holton, Mitchell, D’Adamo, Conaway

Introduced and read first time: December 8, 2005

Assigned to: Budget and Appropriations Committee

REFERRED TO THE FOLLOWING AGENCIES: Planning Department, Department of Housing and Community Development, Department of Public Works, Department of Recreation and Parks, Fire Department, Health Department, Department of Finance, Police Department, Department of Transportation

A RESOLUTION ENTITLED

1 A COUNCIL RESOLUTION concerning

2 **Investigative Hearing – Baltimore City Government – Budget Overspending**

3 FOR the purpose of requesting the Directors, Executive Directors, or Commissioners of major
4 city agencies to report to the City Council on budgetary practices that lead to “non-
5 anticipated” expenses that result in the need for the Council to pass supplementary
6 appropriation legislation to balance agency budgets at the end of nearly every fiscal year.

7 **Recitals**

8 Each fiscal year closeout is greeted by a bumper crop of supplemental appropriation
9 legislation that asserts that “this appropriation is made necessary by a material change in
10 circumstances since the Ordinance of Estimates for Fiscal Year ____ was formulated or is for a
11 new program that could not have been reasonably anticipated when that Ordinance of Estimates
12 was formulated.”

13 The budget making process incorporates steps that provide ample opportunity for department
14 heads to “reasonably anticipate” most changes starting with the Budget Request phase that
15 beings before the fiscal year, the period July1 through June 30, is ended. Agency heads are
16 provided with budget instructions and guidance for developing agency requests, including a
17 proposed funding level and general directions regarding the inclusion of new programs or the
18 elimination of existing programs for the ensuing year.

19 Following the submission of Budget Requests there is a Review of Operating Budget
20 Requests when the Department of Finance reviews the operating budget requests submitted by
21 City agencies and makes recommendations to ensure conformity with Citywide goals and a
22 Review of Capital Budget Requests when the Department of Planning reviews agency requests
23 and makes recommendations to ensure uniformity with the City’s Capital Improvement Program.

24 Reviews by the Departments of Finance and Planning are followed by formal hearings
25 conducted by the Board of Estimates with the heads of City agencies in regard to operating and
26 capital budget requests and a proposed Ordinance of Estimates is submitted to the City Council,

EXPLANATION: Underlining indicates matter added by amendment.
~~Strike out~~ indicates matter deleted by amendment.

1 the City Council in turns conducts public hearings on the Ordinance of Estimates and may
2 reduce or eliminate budget items, but cannot increase or add new items.

3 Following extensive budget hearings, the City Council acts on the Ordinance of Estimates,
4 ultimately voting to pass the Ordinance with reductions to appropriations or as submitted. The
5 Ordinance is then forwarded to the Mayor who may disapprove some items of appropriation
6 while approving the rest, but not increase or add items. The Ordinance of Estimates is given
7 legal effect after passed by the City Council and signed into law by the Mayor.

8 This process is designed to give the budget a full review to ensure that the funds requested
9 are sufficient to guarantee an appropriate delivery of services to the citizens of Baltimore. There
10 should be very few instances when needs could not reasonably be anticipated. Agency heads
11 must be discouraged from underestimating their departmental needs to gain the approval of the
12 Administration and the City Council. If the agency budget requests do not honestly reflect the
13 needs of the agency, the entire budget process is rendered moot.

14 **NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BALTIMORE,** That this body
15 hereby requests the department heads of major city agencies to report to the City Council on
16 budgetary practices that lead to “non-anticipated” expenses that result in the need for the Council
17 to pass supplementary appropriation legislation to balance agency budgets at the end of nearly
18 every fiscal year.

19 **AND BE IT FURTHER RESOLVED,** That the heads of the following agencies are requested to
20 participate in this investigative hearing.

- 21 • Department of Finance
- 22 • Fire Department
- 23 • Health Department
- 24 • Department of Housing and Community Development
- 25 • Department of Planning
- 26 • Police Department
- 27 • Department of Public Works
- 28 • Department of Recreation and Parks
- 29 • Department of Transportation

30 **AND BE IT FURTHER RESOLVED,** That a copy of this Resolution be sent to the Mayor, the
31 Directors, Executive Directors, or Commissioners of the Agencies Listed, the Mayor’s
32 Legislative Liaison to the City Council.