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**BALTIMORE CITY COUNCIL
WAYS AND MEANS
COMMITTEE**

Mission Statement

The Committee on Ways and Means (WM) is responsible for ensuring taxpayer dollars are expended prudently and equitably. WM will exercise regular oversight of the City's budget, expenditures, loans, and other financial matters. The committee's areas of jurisdiction includes budget & appropriations, taxation, financial services, consumer protection, audits, and the Comptroller's Office.

**The Honorable Eric T. Costello
Chairman**

PUBLIC HEARING

**TUESDAY, MAY 10, 2022
10:00 AM**

COUNCIL CHAMBERS

Legislative Oversight #LO 21-0003

Budget Briefing – Bureau of Budget and Management Research

3rd Quarter Projection

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LEGISLATIVE OVERSIGHT

Committee: Ways and Means

Legislative Oversight # LO 21-0003

Budget Briefing – Bureau of Budget and Management Research (BBMR)

Purpose:

For the purpose of calling on the Director of the Finance Department’s Bureau of Budget and Management Research (BBMR) to brief the City Council on how the City’s actual finances compare to its budget projections.

Agencies/Organizations Reporting

Bureau of Budget & Management Research	Robert Cename
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Current Law

Baltimore City Code – Article 1, Subtitle 1-City Council, Sections 1-5 and 1-6

§ 1-5. Agencies to provide budget status reports.

(a) Reports required.

On or before November 1, February 1, May 1, and August 1 each year, the City agencies so requested shall file quarterly budget status reports with the Budget and Appropriations Committee of the City Council.

(b) Contents.

Each report shall contain the information required by the Committee and be in the format requested.

(c) Public hearing.

The Committee may hold a public hearing for those agencies not reporting or those showing a projected deficit for the fiscal year.

(d) “City agency” defined

The words “City agencies” include the City trustees and all City sponsored and financed nonprofit corporations. (City Code, 1976/83, art. 1, §5.) (Ord. 72-211; Ord. 77-333; Ord. 81-568; Ord. 82-753.)

§ 1-6. Agencies to provide legislative information.

It shall be the duty of the head of every City department or bureau established by the Baltimore City Charter or by ordinance to provide all technical materials, plats, drawings, and information that are requested by any member or the President of the City Council for the purpose of introducing legislation into the Council.

(City Code, 1976/83, art. 1, §6.) (Ord. 76-080.)

Background

On February 8, 2022, a representative(s) from the Bureau of Budget and Research Management came before the committee to discuss the second quarter projection for this fiscal year; October 1, 2021, through December 31, 2021.

On May 10, 2022, a representative(s) from the Bureau of Budget and Research Management will come before the committee to discuss the third quarter projection for this fiscal year; January 1, 2022, through March 31, 2022.

Following are notes from the February 8, 2022 hearing.

Major Issues Discussed

1. The representative from the Finance Department gave a PowerPoint presentation based on data collected through December 31, 2021. *A copy is on file*. The Department is projecting a \$73.3 million surplus based on the data collected during this period, an increase of \$13 million since the first quarter projection. Some highlighted comments were:
 - Gave an update on the federal aid received and how it affected this quarter's projection
 - All funds received via CARES Act are spent in full
 - Most of the surplus projected came from Income Taxes and Transfer and Recordation Tax Revenue
 - Currently no hiring freezes due to high vacancies/staffing shortages
 - Made comments about the high vacancy rate throughout city government, including staffing shortages around the country
 - The good news: recovery is starting to happen!
 - City's financial status right now is very strong! More capital projects will be completed as a result of same
2. Committee/council members asked questions, stated concerns and asked Mr. Cennane to chime in with answers and/or comments. Some highlighted topics of discussion and/or concern were:
 - Vacancies in the Department of Recreation and Parks
 - Give a little more insight into what is happening in this area
 - We should be paying employees more!
 - Are we encouraging agencies to think outside of the box? Such as creating new positions or swapping positions?
 - Staff shortages – is of concern
 - Towing
 - Revenue is down
 - Overcrowded yard for storing vehicles – is of concern
 - Vehicles left on streets too long due to full capacity of the towing yard(s)
 - How is the towing inventory conducted and/or implemented? Is of concern
 - Staffing Shortages

- Are you looking at other ways to attract workers? Such as shorter work weeks and/or other innovative ways? **Answer: I need to check in and/or have a discussion with our Human Resources Department**
 - Inspecting Vacant Properties
 - Capacity level to complete inspections – is of concern
 - What is being done to better increase the inspections?
 - Programs/Funding Available for the Department of Recreation and Parks
 - We need to expand the programs available within the Department
 - Would like to see our young people afforded the opportunity to go on more trips that are outside of the community in our Summer Camp Program, more funding is needed in the Department for this! Have you looked into this? **Answer: There may be an opportunity to redirect funds here, will reach out to Director Moore regarding same**
 - Expansion of services available for our seniors and/or older adults – is of concern
 - We have a lot of older adults living in the city – we need more funding to expand services for them. **Answer: We will have a conversation with the Health Department concerning this.**
 - **Requested by Chairman Stokes** – Is it possible to re-create the Cabinet that use to be for our Senior Population? Please look into this.
 - **Requested by Councilwoman Ramos** – Can we get the balance of the Affordable Housing Trust Fund? **Answer: Will forward**
 - Is the cost incurred for the hotels (shelter costs) where homeless people were housed included in the projected deficit for the Health Department? **Answer: Yes**
 - Does the projection include tax credits? **Answer: Yes**
 - Have you completed an analysis for property taxes versus property tax credits? Is there a forecast?
 - There was some discussion regarding positions that actually generate revenue for the city. Have you identified key revenue generating positions? **Answer: Yes**
3. Was further study requested? **Yes**. See requests noted in “Red and Yellow highlights” in above.
4. Hearing was called to recess; to reconvene on May 10, 2022.

Additional Information

Fiscal Note: A PowerPoint presentation will be given by BBMR at the next hearing.

Information Source(s): Notes taken at the February 8, 2022 hearing.

Marguerite M. Currin

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Date: May 5, 2022