

**CITY OF BALTIMORE
COUNCIL BILL 08-0078R
(Resolution)**

Introduced by: Councilmembers Spector, Kraft, President Rawlings-Blake, Councilmembers
D'Adamo, Henry, Young, Cole, Holton, Welch, Branch, Clarke, Curran, Reisinger,
Middleton

Introduced and read first time: October 27, 2008

Assigned to: Budget and Appropriations Committee and Committee of the Whole

REFERRED TO THE FOLLOWING AGENCIES: Department of Finance

A RESOLUTION ENTITLED

1 A COUNCIL RESOLUTION concerning

2 **Fiscal Forecast - Informational Hearing**

3 FOR the purpose of requesting the Honorable Chairs of the Baltimore City Senate and House
4 Delegations to the 2009 Maryland General Assembly, the Executive Director of the
5 Maryland Association of Counties, the Executive Director of the Maryland Municipal
6 League, and the Director of Finance to brief the City Council on the fiscal condition of the
7 State budget, projected budget shortfalls, and the impact of State budget deficits on the
8 programs, projects, and functions of local government.

9 **Recitals**

10 The news of a projected \$432 million budget shortfall at the State level has led to speculation
11 about the effects on the budgets of local governments. Local leaders are concerned that
12 diminished State coffers could lead to increases in local taxes, severe cuts to services, and the
13 shifting of State budget obligations, such as the \$622 million cost of teachers' pensions, from the
14 State to local governments.

15 To a degree, Baltimore City's fiscal interests have been protected by membership in the
16 Maryland Association of Counties (MACo) and the Maryland Municipal League (MML).
17 MACo's Board of Directors supports a State budget reconciliation position that, in part,
18 "recognizes the nexus between the State's fiscal stability and its counties' fiscal health." That "a
19 responsible State budget reconciliation must envision a workable plan to expeditiously resolve
20 the State's ongoing budget imbalance." And that "the State fiscal plan must not include
21 structural or permanent adjustments to the existing fiscal relationship between the State and its
22 counties."

23 MML, an organization controlled and maintained by city and town governments in which the
24 City also enjoys an active membership, is seeking to protect the fiscal integrity of its members
25 by introducing legislation in the 2009 Maryland General Assembly to establish a task force to
26 study the revenue needs of municipalities and to examine potential alternative revenues. In
27 addition, MML will either introduce or support legislation that provides new revenue sources for
28 cities and towns.

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

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1 The possible shift of the tax burden from the State to local government is counter to the goal
2 of both member organizations. In particular, the possible shift of teachers' pension fund costs
3 would have serious fiscal implications for the budgets of the City and surrounding counties:

- 4 • Anne Arundel County: \$38 million
- 5 • Baltimore City: \$61 million
- 6 • Baltimore County: \$78 million
- 7 • Carroll County: \$19 million
- 8 • Harford County: \$25 million
- 9 • Howard County: \$45 million

10 In order to approximate the State's fiscal condition and the resultant impact on local revenue,
11 it is imperative that the City Council actively engage the expertise of local government
12 organizations, legislative leadership, and City personnel able to provide the best current fiscal
13 information, historical budgetary prospective, and accurate fiscal forecast and reconcile the
14 results of this preliminary forecast with the final State Budget following the conclusion of the
15 2009 session of the Maryland General Assembly.

16 **NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BALTIMORE,** That the
17 Honorable Chairs of the Baltimore City Senate and House Delegations to the 2009 Maryland
18 General Assembly, the Executive Director of the Maryland Association of Counties, the
19 Executive Director of the Maryland Municipal League, and the Director of Finance are requested
20 to brief the City Council on the fiscal condition of the State budget, projected budget shortfalls,
21 and the impact of State budget deficits on the programs, projects, and functions of local
22 government.

23 **AND BE IT FURTHER RESOLVED,** That there will be a follow-up hearing to reconcile the
24 fiscal forecast with final State Budget decisions following the conclusion of the 2009 Maryland
25 General Assembly.

26 **AND BE IT FURTHER RESOLVED,** That the Honorable Members of the Maryland Delegation
27 to the 110th Congress are invited to participate in the fiscal forecast and budget reconciliation
28 briefings.

29 **AND BE IT FURTHER RESOLVED,** That the Commissioners, Directors, and Executive
30 Directors of major departments of Baltimore City Government are requested to attend the
31 briefings.

32 **AND BE IT FURTHER RESOLVED,** That a copy of this Resolution be sent to the Mayor, the
33 Honorable Members of the Maryland Delegation to the 110th Congress, the Honorable Chairs
34 and Members of the Baltimore City Senate and House Delegations to the 2009 Maryland
35 General Assembly, the Executive Director of the Maryland Association of Counties, the
36 Executive Director of the Maryland Municipal League, the Director of Finance, the
37 Commissioners, Directors, and Executive Directors of the City of Baltimore, and the Mayor's
38 Legislative Liaison to the City Council.