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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, FEBRUARY 7, 2023
10:00 AM**

COUNCIL CHAMBERS

Legislative Oversight #LO 21-0003

Budget Briefing – Bureau of Budget and Management Research

**Fiscal Year 2022 Closeout
and
1st Quarter Budget Briefing – Fiscal Year 2023**

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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 | |
|--|--|

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 last fiscal year (Fiscal Year 2022); October 1, 2021, through December 31, 2021.

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

On February 7, 2023, a representative(s) from the Bureau of Budget and Research Management will come before the committee to discuss closeout for fiscal year 2022 which ended June 30, 2022 and to discuss the first quarter projection for fiscal year 2023; July 1, 2022 thru September 30, 2022.

Following are notes from the May 10, 2022 hearing.

Major Issues Discussed

1. The representative from the Finance Department gave a PowerPoint presentation based on data collected through March 31, 2022. *A copy is on file*. The Department is projecting a \$95.4 million surplus based on the data collected during this period, an increase of \$22.2 million since the second quarter projection. Some highlighted comments were:
 - Transfer/Recordation and Income Tax Revenue is doing great!
 - An increase in home sales
 - Camera/Speed violation revenue is coming/going down
 - Hotel Tax – is recovering quicker than anticipated
 - Revenue for property taxes is showing a deficit - under what was projected
 - A lot of commercial properties got hit hard during the pandemic
 - The department is watching this trend closely
 - The Health Department is projecting the biggest agency expenditure deficit
 - There is not a hiring freeze – the department is encouraging agencies to hire
 - The only restriction is on the agencies who are projecting deficits!
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:
 - Tax Credits
 - What is the process?
 - Can you explain how you came up with your projection for tax credits?
 - Are you talking with Housing and/or monitoring the tax credits?
 - Fire and Police Departments
 - How much was budgeted this fiscal year (FY22) for these two (2) agencies?
 - Staffing Shortages
 - What are some of the strategies in place for filling positions?
 - Stump Removal
 - What is the status of stump removals?

- Is more equipment available for removal?
- On page 12 of the Presentation
 - Is any of Rec and Parks carryforward (\$900K from FY21 to FY22) being used for the backlog of trees and removal of stumps?
- Some of the projected surplus should be allocated to Recreation and Parks to buy additional equipment
- Basic Level(s) of Services
 - Savings on priority services that have not been completed! Do not see these savings in the projection.
 - Basic levels of services that have not be completed such as:
 - Recycling
 - Street sweep
 - Other services on hold
 - Agencies where basic services have not been completed should be showing surpluses!
 - **Requested by Councilmember Schleifer – Would like to see the spending patterns of agencies for Fiscal 21 versus Fiscal 22.**
 - Line by line item for each agency
 - **Per Chairman Costello, the Finance Department is to respond to Councilmember Schleifer’s request by May 31, 2022**
- City Services
 - Traffic calming
 - Maintenance – Recreation and Parks
 - Playgrounds, trees, etc.
 - **Requested by Councilmember Porter – provide a detailed plan on how city services will become normalized**
- Park Rangers/Park Rangers Program
 - Have noticed illegal activities in our parks
 - Concern – public safety in our parks
 - **Councilmember Porter - Comment: Will bring this issue up at the budget hearings – want a plan of action**
- Park Rules and Policies
 - Notice that there is no posting in the parks pertaining to rules and regulations; this is a law enforcement problem
 - Need posting for same
- Procurement
 - Who is in charge of Procurement Office? **Answer: Keisha Brown**
 - The day to day operation of the Procurement Office is of concern
- Commitments Made and Followed Through
 - Comments regarding the importance of carrying out prior commitments
 - Hope that prior commitments made were followed through as stated
 - Commitments made regarding Recreation and Parks
 - **Requested by Chairman Costello – to Councilmember Ramos – can you track down when these issues regarding Rec and Parks were**

discussed (during which hearing) and let us the committee members, Robert Cenname and Nina Themelis know the date(s).

▪ Surpluses

- The Department of Recreation and Parks:
 - Needs more after-school programs
 - More outlets for youth
 - Hope some of the surplus can be allocated to Recreation Centers

3. Further Study – See requests noted in “Red and Yellow highlights” above.

4. Hearing called to recess.

Additional Information

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

Information Source(s): Notes taken at the May 10, 2022 hearing.

Marguerite M. Currin

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Date: February 2, 2023