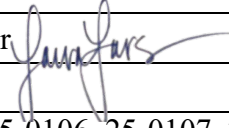




CITY OF BALTIMORE
MAYOR BRANDON M. SCOTT

TO	The Honorable President and Members of the Baltimore City Council
FROM	Laura Larsen, Budget Director 
DATE	October 30 th , 2025
SUBJECT	City Council Bills 25-0105, 25-0106, 25-0107, 25-0108, 25-0109, 25-0110, 25-0112, 25-0113

The Honorable President and
Members of the City Council
City Hall, Room 400

Position: Support

The Department of Finance is herein reporting on City Council Bills 25-0105, 25-0106, 25-0107, 25-0108, 25-0109, 25-0110, 25-0112, 25-0113, for the purpose of providing funding to balance Fiscal Year 2025 budget for a deficit caused by overtime and unbudgeted contractual costs; and providing for a special effective date.

Background

The City Charter requires that each City agency end the year within budget. The Department of Finance recommends appropriation transfers and supplemental appropriations when an agency has ended the fiscal year with a General Fund deficit. The actions proposed in this item are funded through the combination of surplus revenue and surpluses in individual agency budgets. This action seeks to appropriate \$112,974,144 to various City agencies that ended Fiscal 2025 in deficit. Based on preliminary and unaudited figures, the City is anticipated to end Fiscal 2025 with a \$13.1 million surplus.

Fiscal Impact

- Fire Department: \$38,520,093
 - Deficit caused by overtime, staffing costs, and contractual EMS services
- Law Department: \$81,393
 - Deficit caused by contractual spending
- Liquor License Board: \$454,415
 - Deficit caused by office lease costs, use of privately leased vehicles, and overtime
- MR-Baltimore City Public Schools: \$12,911,344
 - Deficit caused by City contribution to development agreement for City Spring Elementary/Middle School
- Police: \$47,492,889
 - The projected deficit has increased by \$16.5 million due to costs from the police union (FOP) contract approved in January, with additional shortfalls driven by overtime expenses, fleet costs, and outstanding invoices from prior years.
- Recreation and Parks: \$5,630,976
 - Deficit caused by park and facility maintenance costs
- Sheriff: \$3,425,454

- Deficit driven by overtime spending exceeding budget, unbudgeted upfitting of vehicles not programmed for 2025 replacement
- Transportation: \$4,457,580
 - Deficit caused by winter storm costs.

Conclusion

The proposed supplemental appropriation reflects the City's need to end the year with a balanced budget. The largest shortfalls occurred in the Fire and Police departments, primarily due to personnel and overtime costs, as well as increased obligations under the new police union contract. Other agency deficits were driven by facility costs, vehicle maintenance, and one-time contractual commitments.

By reallocating surplus revenues and underspending from other agencies, the City can close these year-end deficits without jeopardizing overall fiscal stability. With a projected citywide surplus of \$13.1 million, these actions ensure compliance with the Charter's balanced budget requirement and sustain essential public services while preserving the City's financial health.

These actions will be funded through Assigned Fund Balance that included a set aside for subsequent budget year actions. That assignment will be replenished with surplus revenue and expenditures when the Fiscal 2025 closeout process is complete.

For the reasons stated above, the Department of Finance supports City Council Bill 25-0105, 25-0106, 25-0107, 25-0108, 25-0109, 25-0110, 25-0112, 25-0113.

cc: Michael Mocksten
Nina Themelis