

CITY OF BALTIMORE

BRANDON M. SCOTT, Mayor



OFFICE OF COUNCIL SERVICES

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HEARING NOTES

Legislative Oversight: LO21-0003

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

Committee: Ways and Means
Chaired by: Councilman Eric T. Costello
Hearing Date: Tuesday, February 9, 2021
Time (Beginning): 10:05 AM
Time (Ending): 11:40 AM
Location: Virtual "WebEx" Meeting
Total Attendance: Approximately 30

Committee Members in Attendance:

- Eric T. Costello, Robert Stokes, Sr., Danielle McCray, Isaac "Yitzy" Schleifer, Kristerfer Burnett, Ryan Dorsey, Sharon Green Middleton

Table with 4 columns: Question, yes, no, n/a. Rows include Bill Synopsis in the file?, Attendance sheet in the file?, Agency reports read?, Video or audio-digitally recorded?, Certification of advertising/posting notices in the file?, Evidence of notification to property owners?, Final vote taken at this hearing?

Major Speakers

(This is not an attendance record.)

- Robert (Bob) Cenname, Finance Department

Major Issues Discussed

- 1. Bob Cenname gave a PowerPoint presentation. A copy is on file. Some highlights from the presentation were:
o The Agenda included:

- *Fiscal Year 2021 Second (2nd) Quarter Projection which ended on December 31, 2020*
 - *Federal Aid*
 - *State Aid*
 - *Status of the CARES Act*
 - *State of FEMA Reimbursement*
 - *The importance and role of the Rainy Day Fund*
 - *Revenue Details*
 - *Expenditures Details*
 - *Deficits and Surpluses*
- *Summary*
 - *Likely, the City will need to use the Rainy Day Fund to cover the deficit at the end of this fiscal year*
 - *Currently there is approximately \$138 million in the Rainy Day Fund.*
 - *Parking and Hotel Revenue is down; hit hard by the pandemic*
 - *Currently, the revenue projection is very bad!*
 - *Currently, the Recordation and Transfer Taxes along with the Housing Market are strong.*
 - *Probably will need supplemental(s) at year end to cover some agencies' deficits.*
 - *Projecting deficits for the following agencies:*
 - *Police*
 - *Fire*
 - *Convention Center Hotel*
 - *Finance, and*
 - *Department of Public Works*
 - *However, seven (7) agencies are currently projecting surpluses:*
 - *Rec and Parks*
 - *Transportation*
 - *BCIT*
 - *Convention Center*
 - *Human Resources*
 - *Board of Elections*
 - *States' Attorney's Office*

2. Committee/council members asked questions, stated concerns and asked Mr. Cennamo to chime in with answers and/or comments. Some highlighted topics of discussion and/or concern were:

- Comment(s)
 - We must maximize every opportunity to raise revenue without raising taxes!
- Concerns/Clarification Sought
 - Parking Enforcement Officers – a shortage (is of concern)
 - Department of Transportation Staffing – (is of concern)
 - The # of engineers and planning positions need to be increased
 - Concern: (significant shortage in staffing positions compared to other jurisdictions)
 - More positions are need to help modernize our streets; to focus on designs and work with the community

- Question(s)
 - On Slide 21 of Presentation
 - General Services Expenditures \$1.8 million – What are we paying for? What are some of the type of contracts/contractors used?
 - Federal Aid (CARES/FEMA)
 - What was received and/or not received?
 - Did a lot of the funding go to the Health Department?
 - Infrastructure Improvements – How are the improvements going?
 - Allocation of CARES funding – where did it go?
 - How many black-owned businesses received funding? **(Request by committee member Stokes: Please submit a report)**
 - **Also requested by committee member Stokes: Send the list of the agencies who received funding.**
 - Please talk more about the legislative actions going on now regarding income tax revenue
 - Is unemployment insurance taxable? Answer: The insurance may become untaxable in fiscal year 2021 and if so will have an impact on the city's local revenue
 - The Parking Enterprise Fund and Parking Fund – Can you talk about how revenue is received for these funds?
 - Can you talk about the difference between the two (2) parking funds?
 - When do you expect the FEMA reimbursement?
 - Veto of Kirwan in the Senate – How does this position the city in fiscal year 2022
 - Lord Baltimore Hotel Occupancy Tax – are they contributing along with what the city is contributing?
 - Metrics in City's budget books – (Performance Measures) – Have the metrics been updated yet?
 - Concern: How can the Council evaluate the budget as to how well an agency(s) is performing without good metrics?
 - Concern: Some metrics are not affective metrics!
 - Per Mr. Cennamo: Creating metrics is a joint effort between Finance, Citi Stat and agencies
 - Slide 17 – Hotel Tax vs. Occupancy Rate
 - How do current projections compare to the past fourteen (14) months or so?
 - The 40-60 split – Can you talk about the law pertaining to Hotel Tax?
 - Fire Department – Two (2) Closures
 - Were the closures realized?
 - Who commissioned the study for the Department?
 - Who was the consultant? What was the cost of the study? When will the study be completed? Will the study be made public?
 - **Requested by Chairman Costello: Please provide an update when the study becomes available.**
 - Police Department
 - What was cut from the budget last fiscal year?

- What is the overtime projection for fiscal year 2021?
- What is the cost for the Mounted Unit?
- Is the Mounted Unit going to appear in the budget for fiscal year 2022?
- Some discussion pertaining to the leasing agreement for the Mounting Unit
- Is there any discussion being made to increase productivity in the following units:
 - Code Enforcement
 - Parking Enforcement
 - Fiscal Integrity Unit, and the
 - Special Investigation Unit
- Traffic Camera Revenue
 - How is this going? Answer: There is less traffic on streets due to the pandemic
- Damages to city property from vehicle accidents – (is of concern)
 - Car crashes
 - Curb and sidewalk damages
 - The # of street lights to be replaced due to vehicle accidents; the cost associated with same and the city not being reimbursed by the persons driving
 - What is Finance doing to get reimbursed and/or for holding these drivers accountable? **Per Finance Department: Will submit this request to agencies to get feedback**
 - Per Committee Member Dorsey: Is more interested in how much the total cost to make these repairs is than how much is being reimbursed; I need Finance to come up with these figures; agencies need to tell Finance the cost of same.
- How much shortfall “preliminary revenue” is projected for fiscal year 2022? Per Mr. Cennamo: Some revenue loss is gone forever and will not be returning.

3. The chairman stated, “the committee will reconvene sometime in early May 2021 to discuss the third (3rd) quarter budget projection.” Hearing called to recess.

Further Study

Was further study requested?

Yes No

If yes, describe. See requests noted in “Red” in the Major Issues Discussed section above.

Marguerite M. Currin

Marguerite M. Currin, Committee Staff

Date: February 16, 2021

cc: Bill File
OCS Electronic File



Baltimore City Council Committee Hearing Attendance Record

Subject: Legislative Oversight – Budget Briefing - BBMR	Bill #: LO21-0003
Committee: Ways and Means	Chair: Eric T. Costello
Date: Tuesday, February 9, 2021	Time: 10:00 AM
Location: Virtual "WebEx" Meeting	

PLEASE PRINT CLEARLY			What is your position on this bill?		Lobbyist: Are you registered in the City?*		
<u>CHECK HERE TO TESTIFY</u>			Testify	For	Against	Yes	No
First Name	Last Name	Address / Organization / Email					
John	Doe	400 N. Holliday St. Johndoenbmore@yahoo.com	✓	✓	✓	✓	✓
		See Hearing Notes					

*NOTE: IF YOU ARE COMPENSATED OR INCUR EXPENSES IN CONNECTION WITH THIS BILL, YOU MAY BE REQUIRED BY LAW TO REGISTER WITH THE CITY ETHICS BOARD AS A LOBBYIST. REGISTRATION CAN BE DONE ONLINE AND IS A SIMPLE PROCESS. FOR INFORMATION VISIT: [HTTPS://ETHICS.BALTIMORECITY.GOV/](https://ethics.baltimorecity.gov/) OR CALL: 410-396-4730

City of Baltimore

City Council
City Hall, Room 408
100 North Holliday Street
Baltimore, Maryland 21202

Meeting Minutes - Final

Ways and Means

Tuesday, February 9, 2021

10:00 AM Virtual/Du Burns Chambers, 4th Floor, City Hall: Phone:
+1-408-418-9388, Access Code: 179 609 1334, Password:
Public, Link: [https://bmore.webex.com/bmore/onstage/g.php?
MTID=e70e5ddc46812f26b8b4f268b0056bcb7](https://bmore.webex.com/bmore/onstage/g.php?MTID=e70e5ddc46812f26b8b4f268b0056bcb7)

Legislative Oversight: LO21-0003
CHARM TV 25

CALL TO ORDER

INTRODUCTIONS

ATTENDANCE

Present 7 - Eric T. Costello, Kristerfer Burnett, Ryan Dorsey, Danielle N. McCray, Sharon Green Middleton, Isaac "Yitzy" Schleifer, and Robert Stokes Sr.

ITEM SCHEDULED FOR PUBLIC HEARING

LO21-0003

Budget Briefing

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.

BRIEFING

ADJOURNMENT

Hearing adjourned.