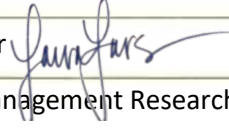



<b>FROM</b>	NAME & TITLE	Laura Larsen, Budget Director 	CITY of <b>BALTIMORE</b> <b>MEMO</b>	
	AGENCY NAME & ADDRESS	Bureau of the Budget and Management Research Room 469, City Hall		
	SUBJECT	Fiscal 2023 Closeout Supplementary Appropriations		

DATE:

**TO**

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

December 6, 2023

**Position: Support**

The Department of Finance is herein reporting on the following City Council Bills: 23,-0457, 23-0458, 23-0459, 23-0460, 23-0461, 23-0462, 23-0463, 23-0464. The purpose of these bills is to increase Fiscal 2023 appropriations by \$37.36 million. The supplemental appropriations will balance the Fiscal 2023 budgets for the following agencies: Board of Elections, Fire Department, Health Department, Law Department, Liquor License Board, Mayoralty Related-Office of Children and Family Success, Mayoralty Related-Cable and Communication, and Public Works.

**Background**

The Baltimore City Charter requires that each agency ends the fiscal year in balance. The Department of Finance recommends appropriation transfers and supplemental appropriations when an agency is projected to close the fiscal year in deficit. These supplemental appropriations are required to meet the Charter mandate. Based on preliminary unaudited estimates the City's General Fund ended Fiscal 2023 with a \$90.4 million surplus. The supplemental actions summarized here will appropriate \$37.36 million of the overall surplus to resolve deficits in individual agency budgets.

**Fiscal Impact**

Specific costs are detailed below by agency.

**Board of Elections**

**Requested Supplemental Amount: \$1,300,000**

**Funding Source: Investment Earnings**

The Board of Elections ended Fiscal 2023 with a \$1.3 million deficit. This deficit was related to the date change of the 2022 primary elections resulting in unplanned election costs hitting in Fiscal 2023 rather than Fiscal 2022.

**Fire Department**

**Requested Supplemental Amount: \$18,960,000**

**Funding Source: Investment Earnings**

The Fire Department ended Fiscal 2023 with an \$18,960,000 deficit. This deficit was driven by overtime costs driven by a high number of vacancies in Firefighter positions, the use of unbudgeted contractual services to supplement basic life support ambulance services, and unanticipated equipment costs.

**Health Department**

**Requested Supplemental Amount: \$12,300,000**

**Funding Source: Investment Earnings**

The Health Department ended Fiscal 2023 with a \$12.3 million deficit. This deficit was driven by unbudgeted costs associated with the City's ongoing response to COVID-19. Costs incurred up through May 2023 will ultimately be reimbursed through FEMA assistance. Since the start of the pandemic, the City has received \$92.9 million in FEMA reimbursement with an additional \$109.1 million pending FEMA approval and payment.

#### **Law Department**

**Requested Supplemental Amount: \$1,900,000**

**Funding Source: Investment Earnings**

The Law Department ended Fiscal 2023 with a \$1.9 million deficit. This deficit was driven by higher than anticipated costs for external legal services and fees to support in the City in various litigation efforts.

#### **Liquor License Board**

**Requested Supplemental Amount: \$300,000**

**Funding Source: Investment Earnings**

The Liquor License Board ended Fiscal 2023 with a \$300,000 deficit. This deficit was driven by higher than anticipated overtime costs for agency staff driven by workload issues.

#### **Mayorality Related: Office of Children & Family Success**

**Requested Supplemental Amount: \$400,000**

**Funding Source: Transfer Tax**

The Mayor's Office of Children and Family Success ended Fiscal 2023 with a \$400,000 deficit. This deficit was driven by the use of contractual services to supplement permanent staffing in the Department. Additional costs for consultant services exceeded savings realized from vacant positions.

#### **Mayorality Related: Cable and Communications**

**Requested Supplemental Amount: \$300,000**

**Funding Source: Transfer Tax**

The Mayor's Office of Cable and Communications ended Fiscal 2023 with a \$300,000 deficit. The deficit was driven by higher than anticipated staffing costs.

#### **Public Works**

**Requested Supplemental Amount: \$1,900,000**

**Funding Source: Investment Earnings**

Public Works ended Fiscal 2023 with a \$1.9 million deficit. This deficit was driven by landfill tipping fees and unanticipated equipment costs. Tipping fee costs in Fiscal 2023 were slightly lower than previous fiscal years, but the actual amount continues to exceed amounts assumed in the budget.

#### **Conclusion**

These supplemental appropriations are required to meet the Charter mandate that annual agency expenditures do not exceed appropriations, and are necessary due to the increased costs outlined above. These appropriations will be funded from surplus revenue realized in Fiscal 2023 through investment earnings and transfer tax proceeds.

For the reasons stated above, the Department of Finance supports City Council Bills 23,-0457, 23-0458, 23-0459, 23-0460, 23-0461, 23-0462, 23-0463, 23-0464.

cc: Michael Moiseyev  
Nina Themelis