

*Robert Cennamo*

FROM	NAME & TITLE	Robert Cennamo, Budget Director	CITY of BALTIMORE <b>MEMO</b>	
	AGENCY NAME & ADDRESS	Bureau of the Budget and Management Research Room 432, City Hall (410) 396-4774		
	SUBJECT	City Council Bill 21-0030 – Coordinated Multi-Agency Code Inspections		

DATE:

TO

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

March 1, 2021

**Position: Oppose**

The Department of Finance is herein reporting on City Council Bill 21-0030, Coordinated Multi-Agency Code Inspections, the purpose of which is to require the City Administrator to coordinate multiple agencies conducting a comprehensive code inspection on commercial properties that received certain environmental citations.

**Background**

This legislation would require the City Administrator to coordinate an inspection team with representatives from Baltimore City Fire Department (BCFD), Baltimore City Health Department (BCHD), Department of Housing and Community Development (DHCD), and Department of Public Works (DPW). This team will conduct a comprehensive code inspection within 30 days that a commercial property has received environmental citations for violations related to liquor sales to minors, sanitation, nuisance abatement, waste control, ephedrine products, and tobacco products and smoking devices.

Currently, BCFD, BCHD, and DHCD conduct a variety of inspections on different types of properties based on requirements related to licensing and regular inspection schedules, as well as some based on resident complaints. In addition, there is sometimes coordination between agencies, depending on the types of inspections. It should be noted that DPW does not have citation authority or responsibilities on properties that fall under this legislation.

The majority of citations issued by the City annually are issued by DHCD. Of the 13,841 citations issued for different locations in 2019, DHCD found that approximately 816 of those citations would fall under this legislation and require a multi-agency response. BCHD issued 174 citations in 2019, of which 40 would fall under this legislation.

**Fiscal Impact**

The Department of Finance anticipates that this legislation will result in \$714,534 increased annual operating expenses and may result in increased revenue as well.

*Operating Expenses*

Based on prior experiences with similar workgroups, such as the Violence Reduction Initiative, it is expected that each joint inspection will require approximately five hours of staff time. In addition, these types of inspections can often require more intensive work, including review of prior violations, assessing permitted uses for the properties, follow-ups on findings, compiling information from the other agencies, and coordinating any necessary re-inspections. Current staffing structures across agencies would require

additional staffing and resources be provided to meet the requirements of this legislation and maintain current level of service.

Expense	Cost
Personnel	\$652,353
Vehicles	\$50,400
Program Costs	\$11,781
<b>Total</b>	<b>\$714,534</b>

Personnel costs include additional staff for DHCD, BCHD, and DPW. Based on conversations with BCFD, it is expected that the increased inspections could be absorbed by current staff. The staffing estimate for DHCD includes a lawyer due to the fact that DHCD’s enforcement authority includes filing code enforcement cases, while the enforcement authority for BCHD and BCFD only include notices or citations. It should be noted that this personnel estimate does not include possible overtime costs, which vary depending on the position. BCFD inspectors earn \$45 per hour, while overtime for DHCD and BCHD investigators varies depending on their union. These additional costs would be dependent on number of hours worked.

Agency	Position	Salary	Other Personnel Costs	Total
DHCD	Investigator I	\$48,884	\$27,910	\$76,794
	Investigator I	\$48,884	\$27,910	\$76,794
	Investigator I	\$48,884	\$27,910	\$76,794
	Associate Counsel	\$74,287	\$35,195	\$109,482
BCHD	Environmental Sanitarian I	\$50,949	\$28,502	\$79,451
	Environmental Sanitarian I	\$50,949	\$28,502	\$79,451
DPW	Investigator I	\$48,884	\$27,910	\$76,794
	Investigator I	\$48,884	\$27,910	\$76,794
<b>Total</b>				<b>\$652,353</b>

Vehicle costs include annual maintenance and repair, usage of DGS vehicles by the agencies, and fuel costs, which may change depending on vehicle usage rates. Cost estimates are based on the expectation that vehicles used by investigators are from the Department of General Services (DGS), which requires the purchase of additional vehicles due to current fleet capacity. Annual cost per vehicle is estimated at \$7,200, totaling \$50,400 for seven vehicles. These costs could be reduced if there was vehicle sharing among investigators, though that may not be possible due to shift schedules. In addition, the purchase of electric vehicles may have a higher initial cost, but could result in reduced maintenance and repair costs moving forward.

Expense	Annual Cost
Vehicle Usage	\$5,600
Maintenance and Repair	\$1,100
Fuel	\$500
<b>Total</b>	<b>\$7,200</b>

Program costs includes cell phone and other technology costs, which are estimated at \$1,683 per position.

### *Revenue*

While there may be increased revenue from citations issued as a result of these multi-agency inspections, providing a projection is challenging due to the fact that different citations have different penalty amounts, ranging from \$100 to \$1,000. In addition, projections are further complicated by the nature of the hearing and appeal process, as well as the fact that individuals may not pay citations in the same fiscal year they are issued. Therefore, revenue received in one fiscal year may be from citations issued across a number of prior fiscal years. To provide some context for the citation collection rate, as of February 25, 2021, 16,543 environmental citations have been issued, for approximately \$2.5 million, and 20% of the penalties have been collected. The table below documents the total revenue collected across all environmental citations in prior fiscal years.

<b>Fiscal Year</b>	<b>Revenue</b>
Fiscal 2019	\$6,485,010
Fiscal 2018	\$6,009,976
Fiscal 2017	\$7,530,519

### **Other Considerations**

The Department of Finance is supportive of the intent of this legislation to encourage coordination across agencies. While BCFD, BCHD, and DHCD coordinate as required through formal and informal means, this legislation would create a formalized method of coordination for specific citations. However, this legislation would result in drastic workload increases for these agencies. In addition, this legislation would require a large investment of time and resources for all citations issued under the cited articles, even if it is a first offense. Finance defers to our partner agencies on any amendments that would maintain the intent of the bill, while reducing the burden on agencies and budgets.

### **Conclusion**

The City is facing major fiscal concerns and cannot at this time support the implementation of a new program with General Fund dollars without pulling resources from other services. In addition, the Department of Finance appreciates the intent of the bill with encouraging coordination across agencies, but expects that as written this legislation may have the unintended consequence of overburdening agencies and should be amended to narrow the enforcement.

**For the reasons stated above, the Department of Finance opposes City Council Bill 21-0030.**

cc: Henry Raymond  
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