

*Robert Carr, Deputy, for:*

<b>FROM</b>	NAME & TITLE	Andrew Kleine, Chief
	AGENCY NAME & ADDRESS	Bureau of the Budget and Management Research Room 432, City Hall (410 396-4941)
	SUBJECT	City Council Bill #15-0228R – Cost of Civil Unrest

CITY of  
BALTIMORE  
**MEMO**



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

DATE: June 4, 2015

Attention: Ms. Natawna Austin

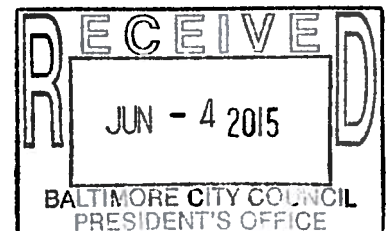
I am herein reporting on City Council Resolution 15-0228R, the purpose of which is to request an update from Finance, Police, and Fire on the cost of the recent civil unrest, how these costs will be paid, and the impact of these costs on the City budget.

The City recently experienced a period of significant civil unrest, especially between the days of Saturday April 25<sup>th</sup> and Sunday May 3<sup>rd</sup>. During this time the City mobilized a number of resources to respond to these events, including heightened police presence, fire suppression, waste removal, and debris cleanup. The City also received assistance from other government agencies.

In the aftermath, Finance has coordinated an effort to determine the direct cost to the City. Based on data collected as of June 4<sup>th</sup>, we estimate a total direct cost to the City of **\$16.1 million**. This includes City agency costs (\$11.8 million), mutual aid costs (\$2.6 million), and employee injuries (\$1.7 million). Note that these estimates are still preliminary and could grow.

**City Agency costs:** Most of the costs incurred were for overtime pay in Police and Fire for the additional personnel that were deployed during the civil unrest. Also, purchases were made for items such as barricades, riot gear, food, and other needed materials and supplies. Other agencies assisted with cleanup, vehicle repair, and damage assessment. The following chart summarizes the costs by agency:

Agency	Personnel	Other Costs	Total Costs
Police	7,746,955	2,362,461	10,109,416
Fire	319,264	178,408	497,672
DGS - Fleet	255,961	183,610	439,571
MOIT	159,308	72,618	231,926
Sheriff	139,392	0	139,392
Transportation	51,198	45,089	96,287
Public Works	52,765	28,383	81,148
All Other	<u>78,542</u>	<u>81,863</u>	<u>160,405</u>
<b>Total</b>	<b>8,881,927</b>	<b>3,034,295</b>	<b>11,755,817</b>



*Fav w/ comm*

**Mutual Aid costs:** The City received assistance from at least 30 other government entities, including the State of Maryland, the National Guard, and many other Maryland counties and jurisdictions. Baltimore also received aid from neighboring states and from governments as far away as Butler County, Ohio. The costs for the State response and for the National Guard will be borne by the State. All other mutual aid costs will be borne by the City. The following chart summarizes the mutual aid costs collected so far:

Mutual Aid	Total Costs
<b>Maryland Counties</b>	
Prince George's County	593,288
Howard County	358,542
Montgomery County	291,193
Baltimore County	257,764
Other Maryland Counties	143,251
<b>Maryland Cities</b>	
City of Frederick	96,588
City of Annapolis	18,055
Ocean City	15,941
City of Cumberland	12,562
Other Maryland Cities	2,688
<b>Other Assistance</b>	
State of Pennsylvania	624,306
Washington D.C.	176,533
All Others	6,500
<b>Total</b>	<b>2,597,211</b>

**Employee Injuries:** The Office of Risk Management reports that 169 claims have been filed by City employees as a direct result of injuries sustained during the civil unrest. We estimate a total cost of \$1.7 million, which includes medical costs, projected disability awards, and lost work time.

**Budget Impact**

On Wednesday, May 27<sup>th</sup>, the Board of Estimates recommended drawing down \$20 million from the Budget Stabilization Reserve (also known as the “Rainy Day Fund”) to cover the cost of the civil unrest and to close Fiscal 2015 in balance. A supplemental appropriation bill to authorize this action is currently under review by the City Council (CCB# 15-0539). Note that the \$20 million request was conservative to protect against the potential for additional mutual aid costs or injury claims, which are still being collected.

The City could be eligible for Federal reimbursement for some of the afore-mentioned costs. FEMA has set a preliminary incident period of Saturday, April 25<sup>th</sup> through Sunday, May 3<sup>rd</sup>. City agencies that incurred costs are currently gathering time sheets, payroll records, invoices, and other documentation to support a potential FEMA review. The City has requested a formal disaster declaration from FEMA and hopes for a ruling by the end of June. In past weather events that were

declared eligible, such as Hurricane Sandy in Fiscal 2013 and the historic snowstorms in Fiscal 2010, the City was reimbursed for 75% of eligible expenses.

The impact of the unrest on City revenues is still uncertain. Revenue sources such as Hotel Tax, Admission & Amusement taxes, and Income Tax in particular are highly sensitive to tourism and economic activity. The Fiscal 2016 budget was developed before the unrest, and as such, Finance urges caution as we enter into the next fiscal year. We will be closely monitoring revenues and will share any trends as they become apparent.

cc: Henry Raymond  
Angela Gibson

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