


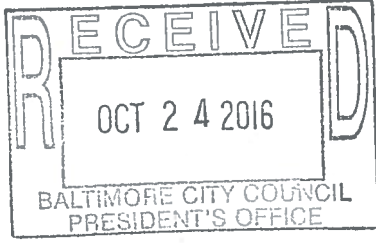
FROM	NAME & TITLE	Andrew Kleine, Chief	CITY of BALTIMORE MEMO	
	AGENCY NAME & ADDRESS	Bureau of the Budget and Management Research Room 432, City Hall (410) 396-4941		
	SUBJECT	City Council Bill #16-0728 – Discounted City Services and Equipment for Nonprofit Events		

DATE:

TO

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

October 19, 2016



Attention: Ms. Natawna Austin

City Council Bill 16-0728 has been introduced for the purpose of requiring that the City grants a discounted rate for City services and equipment used to support a nonprofit event; and generally relating to the provision of City support to nonprofit events.

Analysis

Under the proposed bill, City agencies that collect reimbursement from events will reduce their applicable rates by 50% for any event where net proceeds will be used exclusively for the benefit of a nonprofit, tax-exempt charitable or religious organization. Agencies currently charging for the support of non-profit events include the Department of Recreation and Parks, the Department of Transportation, the Police Department, Fire Department, and the Department of Public Works. The revenue collected from these events is used to support the expenses associated with hosting them – most notably to cover overtime expenses for agencies such as the Police and Fire Departments.

The Department of Recreation and Parks, operating as a special fund, charges organizations both application and area impact fees for the use of park space in the City. Currently, 100% of the fee is collected upfront. Fees vary based on both the location and estimated size of an event. The purpose of these fees is strictly to cover the associated expenses related to providing the service for these events; the Department does not collect a net profit from the fees.

The Department of Transportation, through the Special Events office, oversees the one-stop shop managing the issuance of special event permits on behalf of all other City agencies. Main agencies providing these services include the Police and Fire departments, the Department of Public Works and the Department of Transportation. The total expenses associated with special event are intended to be offset by the special events fees, which are fully reimbursed to the corresponding agencies when such payments are received.

Oppose S

The passage of City Council Bill 16-0728 would force City agencies to absorb the unbudgeted costs and allocate a greater share of their budget to supporting these events. Because the Department of Recreation and Parks relies on these revenues to fully-support its operations, a discount would result in the Department having to reduce the number of positions on staff.

Fiscal Impact:

In Fiscal 2016 the total cost of providing services to special events, excluding the costs incurred by the Department of Recreation and Parks, totaled \$1.52 million. A 50% discount would have resulted in \$760k in unbudgeted net expenses to be absorbed by all other City agencies that support these events.

Conclusion

For the above reasons, the Department of Finance opposes the passage of City Council Bill 16-0728.

cc: Henry Raymond
Angela Gibson