

<b>FROM</b>	<b>NAME &amp; TITLE</b>	Robert Cename, Budget Director <i>BaltAC</i>	CITY of <b>BALTIMORE</b> <b>MEMO</b>	
	<b>AGENCY NAME &amp; ADDRESS</b>	Bureau of the Budget and Management Research Room 432, City Hall		
	<b>SUBJECT</b>	City Council Bill 22-0187 Supplementary General Fund Operating Appropriation- Department of Transportation-\$18,000,000		

DATE:

**TO**

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

January 31, 2022

**Position: Support, with amendments**

The Department of Finance is herein reporting on City Council Bill 22-0187, Supplementary General Fund Capital Appropriation – Department of Transportation - \$18,000,000, the purpose of which is to increase the Fiscal Year 2022 appropriation for the Department of Transportation’s Service 548: Conduits.

**Background**

The Department of Transportation’s (DOT) Service 548: Conduits maintains the City’s 741 miles of conduit ducts, which carry electrical, telephone, and fiber optic lines. This requires a combination of inspection and repair work, as well as planning for future needs, development, and construction. The conduit system is a unique public resource that provides access to substantial portions of the public right of way without the necessity of opening and closing streets and disrupting traffic.

**Fiscal Impact**

Service 548 is part of the City’s capital budget and is funded by the Conduit Enterprise Fund. The Fund generates revenue from charges to non-City entities and City agencies renting space in the City’s conduit system. The current rate for conduit occupancy is \$2.20 per linear feet. Enterprise Funds are expected to generate revenue from fees and cover operating expenses from those fees. Any additional revenue is reserved for maintenance, capital, or other requirements of the conduit system.

This legislation increases the amount of funds appropriated to the Conduit Construction capital account for conduit construction and maintenance. Based on DOT’s schedule of expenses, approximately \$4.1 million will be appropriated for the Conduit Repair Program, \$10.4 million will be appropriated for the Conduit Inspection and Repair Program, and \$3.7 million for the Professional Technical Services Program.

**Other Considerations**

As required Article 6 § 8 (b) (3) of the City Charter, this supplemental appropriation was approved by the Board of Estimates on December 15, 2021. However, the legislation as written must be amended to reflect the correct amount of funding, \$18,205,000, and fund type, to Conduit Enterprise Fund, as detailed in amendments drafted by DOT.

**Conclusion**

This legislation will enable the Department of Transportation to continue development, maintenance, and control of the City’s conduit by increasing the amount of funding appropriated to the Conduit Construction capital account to utilize in Fiscal 2023 to meet the conduit construction and maintenance needs. The

legislation must be amended to reflect the same funding amount and fund type as approved by the Board of Estimates.

**For the reasons stated above, the Department of Finance supports City Council Bill 21-0126, with amendments.**

cc: Henry Raymond  
Natasha Mehu  
Nina Themelis