


Fiscal 2022 City Council Budget Hearing Baltimore City Department of Finance

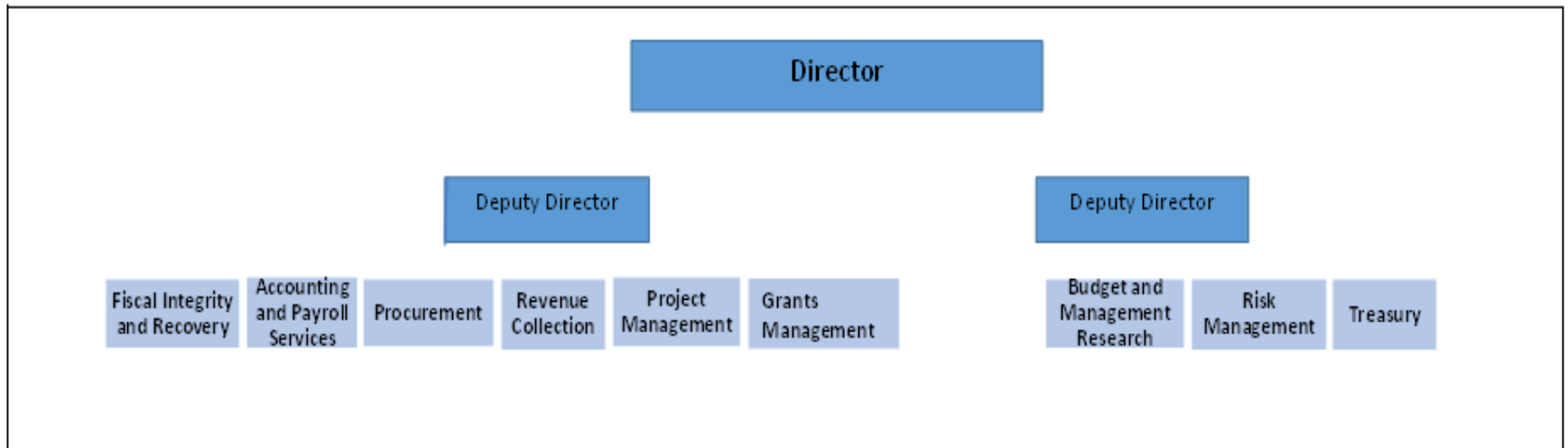
June 01, 2021
Henry J. Raymond
Director



Mission

- 
- Provide excellent customer service to our citizens
 - Provide a full range of financial services to City agencies
 - Collect and invest all monies due to the City
 - Manage City debt
 - Develop and execute sound fiscal policies and practices

Organizational Chart



Revenue Collection

Priority Outcome: Responsible Stewardship of City Resources

Service Number: 148

Fiscal 2022 Recommended Budget: \$11,525,169

Service Description

This service collects all money that is due to the City through various taxes, fines, fees and penalties. Customers can pay most bills in person, online, using a smartphone, over the telephone, or by mail. The service operates a call center to address payment and billing questions during normal business hours.

Major Budget Items

- The Fiscal 2022 budget funds 2 General Fund positions to support the implementation of the City's new Tax Sale Exemption Program that goes into effect on July 1, 2021.
- The budget transfers 21 General Fund positions and \$1,516,432 in parking fine collection costs to the Parking Management Fund to better reflect costs related to parking activities.

Type	Performance Measure	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Target	FY22 Target
Output	#of Calls Requiring Assistance	239,326	239,456	274,862	337,083	330,000	330,000
Effectiveness	Collection % of Real Property Tax	97%	98%	98%	98%	95%	95%

Treasury and Debt Management

Priority Outcome: Responsible Stewardship of City Resources

Service Number: 150

Fiscal 2022 Recommended Budget: \$1,277,407

Service Description

This service provides for the management of the City's cash, investments, debt, and banking services. Treasury Management provides important oversight and control of the City finances to ensure cash is available to pay expenditures through the issuance of debt and timely investment of City funds. This service also maintains the City's banking and trustee relationships so that the City's corporate cash, payroll and trust accounts are properly administered.

Major Budget Items

- The recommended budget maintains the current level of service.
- The Federal Reserve dramatically reduced interest rates as a result of the COVID-19 pandemic.

Type	Performance Measure	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Target	FY22 Target
Output	% of Rate of Return on Short-Term (6-month) Investments	0.68%	1.31%	2.17%	1.45%	1.00%	0.10%
Effectiveness	Interest % on GO Bonds Issued	0.00%	2.72%	2.82%	1.85%	3.30%	2.75%

Administration - Finance

Priority Outcome: Responsible Stewardship of City Resources

Service Number: 698

Fiscal 2022 Recommended Budget: \$2,036,766

Service Description

This service is responsible for the overall fiscal strategy and fiscal management of the City, which includes overseeing the City Budget process and holding the internal Bureaus - Budget and Management Research, Revenue Collections, Procurement, Accounting, Payroll Services, Treasury Management, and the Office of Risk Management - accountable for their performance. The Office also coordinates all human resources activities within the department; manages the combined charity management contract; performs management analysis; and executes initiatives with other City agencies to improve the efficiency and effectiveness of government.

Major Budget Items

- The recommended budget funds 1 new General Fund position, which will serve as the Director of Corporate Compliance to increase the City's collection on self-reported taxes.
- The service continues to provide approximately \$200,000 of funding to the Enterprise Resource Planning (ERP) system. In Fiscal 2022, personnel will shift to implementation of the new financial system.

Procurement

Priority Outcome: Responsible Stewardship of City Resources

Service Number: 699

Fiscal 2022 Recommended Budget: \$4,414,870

Service Description

This service offers City agencies a professional procurement practice for the purchase of goods and services to be used in City operations and capital improvements. The use of a centralized purchasing system is mandated by the City Charter and includes the procurement of all goods and services required by City agencies, with the exception of public works and professional services. Each fiscal year, the service contracts for goods and services valued at approximately \$500 million.

Major Budget Items

- The Fiscal 2022 budget transfers 2 General Fund positions to Service 869: Minority and Women’s Business Opportunity Office (MWBOO) in the Law Department.

Type	Performance Measure	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Target	FY22 Target
Effectiveness	# of vendors registered in CitiBuy	20,752	21,756	22,362	21,413	22,500	21,600
Output	# of employees and city vendors trained	255	217	209	673	250	1,500

Surplus Property Disposal

Priority Outcome: Responsible Stewardship of City Resources

Service Number: 700

Fiscal 2022 Recommended Budget: \$161,349

Service Description

This service offers City agencies a professional service for the proper disposition of surplus property. The use of a centralized surplus property system is required by the City Charter. During the years Fiscal 2012 through Fiscal 2019, the service generated total revenue of \$5.1 million.

Major Budget Items

- Personnel and other operating costs for this service are offset by revenue generated from sales of surplus City property. The proceeds from sales are split, with 50% going to cover the cost of this service and the other 50% being returned to the agency.
- The recommended budget maintains the current level of service

Type	Performance Measure	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Target	FY22 Target
Output	# of Auctions Hosted	34	33	0	208	240	400
Outcome	\$ Generated Annually	\$681,764	\$956,949	\$584,505	\$964,595	\$1,700,000	\$1,500,000

Printing Services

Priority Outcome: Responsible Stewardship of City Resources

Service Number: 701

Fiscal 2022 Recommended Budget: \$3,755,074

Service Description

This service is an Internal Service Fund operation supplying document services to the City of Baltimore government. The services offered to City agencies and the Baltimore City Public School System are professional graphic design, printing, copying, document scanning, data center printing, and forms distribution.

Major Budget Items

- Personnel and other operating costs for this service are offset by revenue generated from fees charged for printing services.
- The recommended budget maintains the current level of service.

Type	Performance Measure	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Target	FY22 Target
Output	# of billable jobs	10,345	15,820	14,495	12,411	10,000	15,000
Efficiency	Average # of days for print job turnaround	6	5	4	5	10	10

Accounts Payable

Priority Outcome: Responsible Stewardship of City Resources

Service Number: 702

Fiscal 2022 Recommended Budget: \$910,666

Service Description

This service is responsible for paying an average of 10,400 vendor invoices each month and providing support to agencies and vendors in all matters relating to payments. The City is expected to pay invoices within 30 days of delivery of the good and/or service.

Major Budget Items

- The recommended budget maintains the current level of service.

Type	Performance Measure	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Target	FY22 Target
Output	# of Invoices Paid	113,885	124,527	101,254	132,000	140,000	140,000
Effectiveness	% of Invoices Paid in 30 days	69%	48%	52%	55%	70%	80%

Payroll

Priority Outcome: Responsible Stewardship of City Resources

Service Number: 703

Fiscal 2022 Recommended Budget: \$3,758,870

Service Description

This service is responsible for paying 1,200 weekly employees, 14,000 bi-weekly employees, and seasonal employees including thousands of YouthWorks employees. The Payroll Service is also responsible for ensuring that proper internal controls exist over the payroll process and special pay or bonus checks, coordinating quarterly payroll tax reporting, managing garnishment processing, reconciling payroll bank accounts, all payroll related special projects including sick and safe leave, check escheatment to the State of Maryland, and coordinating year-end processing of W-2's.

Major Budget Items

- The recommended budget maintains the current level of service.

Type	Performance Measure	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Target	FY22 Target
Efficiency	# of Off-Cycle Checks	1,720	2,270	1,914	2,421	1,900	1,800
Output	# of Payroll Checks-Advices Issued	387,579	752,403	357,122	339,170	370,000	350,000

Accounting

Priority Outcome: Responsible Stewardship of City Resources

Service Number: 704

Fiscal 2022 Recommended Budget: \$3,058,262

Service Description

This service provides accounting and reporting services for the City of Baltimore, including preparation of the Comprehensive Annual Financial Report (CAFR). The service is responsible for ensuring that proper internal controls are in place for processing financial transactions and that these transactions and reports are recorded and prepared in accordance with Generally Accepted Accounting Principles (GAAP) as set forth by the Government Accounting Standards Board (GASB). Financial transactions are recorded and reports are prepared and generated using the City's financial system, City Dynamics.

Major Budget Items

- The budget defunds 1 General Fund position.

Type	Performance Measure	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Target	FY22 Target
Output	# of transactions/journal entries	2.6M	3.4M	3.2M	3.2M	3.4M	2.1M
Efficiency	Average # of days for month-end close	5	5	5	5	5	5

Risk Management for Employee Injuries

Priority Outcome: Responsible Stewardship of City Resources

Service Number: 707

Fiscal 2022 Recommended Budget: \$4,332,698

Service Description

This service administers the City's risk management and insurance program for City assets and liabilities. Insurance policies are procured by the service to provide the broadest coverage at the lowest cost. When damages exceed insured deductibles, claims are filed to expedite recovery from the insurance company. This service seeks to prevent employee injuries by promoting accident prevention, providing safety training, and ensuring regulatory compliance.

Major Budget Items

- The recommended budget transfers \$1.2 million for contracts related to examining workers' compensation claims to Service 872: Workers' Compensation Practice to better align with the City's in-house practice for workers compensation litigation in the Law Department.
- The budget maintains the current level of service.

Type	Performance Measure	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Target	FY22 Target
Output	# of Random Drug/Alcohol test completed	2,363	3,510	3,369	1,298	3,500	3,500
Effectiveness	Claim \$ per employee	\$2,713	\$1,817	\$2,680	\$384	\$2,706	\$388

Operating Budget Management

Priority Outcome: Responsible Stewardship of City Resources

Service Number: 708

Fiscal 2022 Recommended Budget: \$2,133,175

Service Description

This service provides for the management of the City's annual operating budget. Revenues and expenditures are monitored throughout the year, and state and local legislation is analyzed to determine the impact on the City budget. Outreach efforts ensure residents have a clear understanding of the City budget. The service also provides professional research and analysis on management, performance, and financing of City services.

Major Budget Items

- The budget creates 2 General Fund positions that will assist with the analysis and reporting requirements for new Federal Aid.
- The service continues to utilize an outside vendor to assist the City with managing Federal and State stimulus aids available as the result of the Covid-19 pandemic.

Type	Performance Measure	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Target	FY22 Target
Effectiveness	Average # of days to approve requisition	2	1	1	2	2	2
Effectiveness	Revenue Forecast Accuracy (% variance from budget)	2.0%	4.7%	3.2%	-1.1%	2.0%	2.0%

Fiscal Integrity and Recovery

Priority Outcome: Responsible Stewardship of City Resources

Service Number: 710

Fiscal 2022 Recommended Budget: \$1,192,794

Service Description

This service was initially established in Fiscal 2011 to ensure property tax credits are not fraudulent, that new construction is assessed in an expedient manner, that State assessors have all relevant City information available to them when they assess commercial properties, and that personal property taxes are billed in a timely manner. Since that time, the Fiscal Integrity Office (formerly Billing Integrity) has expanded its work to include assessment appeals, PILOT management and tax credit management. The goal is to find revenue sources that are inefficient or where fraud is likely and to put into place processes to prevent fraud and eliminate waste.

Major Budget Items

- The recommended budget maintains the current level of service.

Type	Performance Measure	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Target	FY22 Target
Output	# of Appraisals Completed	692	687	509	457	470	360
Output	# of Tax Credits Granted in the Tax Credit System	3,732	3,883	4,402	4,187	4,150	5,019

Finance Project Management

Priority Outcome: Responsible Stewardship of City Resources

Service Number: 711

Fiscal 2022 Recommended Budget: \$1,403,877

Service Description

This service is responsible for coordinating, designing, and implementing all systems changes within the Department of Finance. This includes the management of the Integrated Tax System project, the implementation of a new recordation tax system, and the design of a personal property tax system.

Major Budget Items

- The recommended budget maintains the current level of service.

Type	Performance Measure	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Target	FY22 Target
Output	% of billing systems removed from the mainframe or new systems	10%	5%	5%	5%	10%	10%
Output	# of Systems transferred off mainframe	2	1	1	1	3	2