



Fiscal 2017 Mid-Year Projections

Department of Finance

Report to City Council

February 21, 2017

Bureau of the Budget and Management Research

BBMR

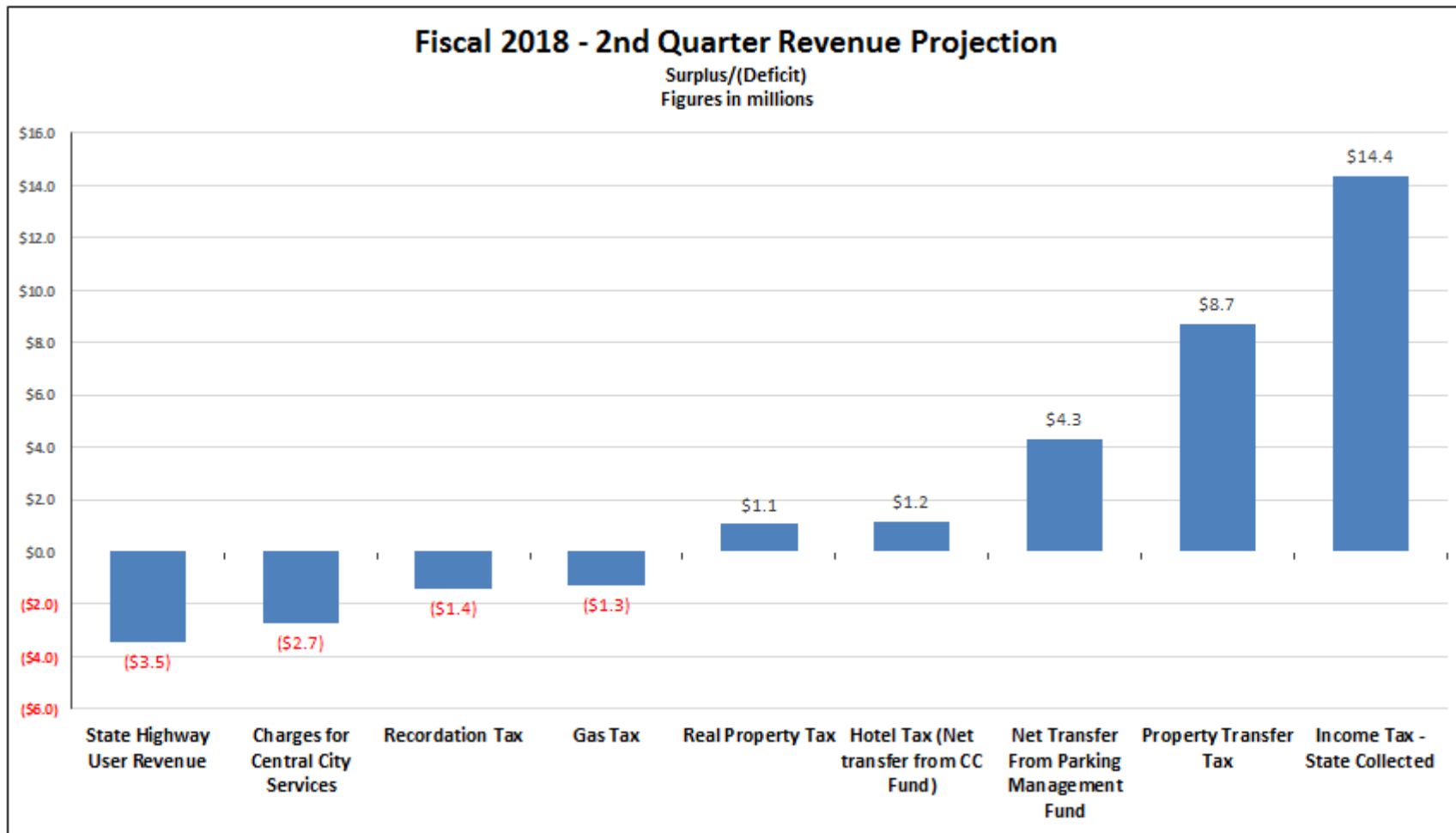
Budgeting for a Better Baltimore

Fiscal 2017 (Mid-Year)

	Adopted Budget	Budget Adjustments	Adjusted Budget	Mid-Year Projection	Surplus / (Deficit)
Revenue	1,762.8	0.0	1,762.8	1,780.1	17.3
PAYGO Capital	15.5	0.0	15.5	15.5	0.0
Expenditures	<u>1,747.3</u>	<u>0.0</u>	<u>1,747.3</u>	<u>1,755.9</u>	<u>(8.6)</u>
Surplus / (Deficit)	0.0	0.0	0.0	8.7	8.7

- Projected \$8.7 million surplus represents a 0.4% variance from budget.
- A 1% confidence interval around the projection is a range from a \$25 million surplus to a \$16 million deficit.

Revenue Surplus/Deficit



Expenditures

- Police (**\$17.8M**)
 - Vacancy savings (\$15M) offset by deficits in overtime (\$27M) and severance (\$4M)
 - BPD has redeployed officers and taken other steps to reduce spending in the second half of the fiscal year
- Fire (**\$9.2M**)
 - Budget assumed \$4M from EMS fee increase that has not been approved
 - Slow hiring and turnover have caused vacancies in suppression and EMS, driving overtime spending
 - Delay implementing two-tier EMS also costly

Expenditures (cont.)

- Transportation (\$5M)
 - General Fund is absorbing Circulator Fund deficit until financial solution is found
 - Increased BGE street light tariff also caused deficit
- Public Works (\$1.5M)
 - The cost of overtime and temporary workers in Solid Waste exceeds vacancy savings
 - Vehicle maintenance costs running over budget, especially for street sweepers
- Surpluses in Finance (\$1.9M), Housing (\$1.6M), Library (\$1.4M) and Health (\$1.3M) mainly due to vacancies
- \$10M debt service surplus based on revised payment schedules

Budget Adjustments

- The Administration has proposed two items for City Council action:
 - \$4.1M transfer of appropriation to fund labor agreements with fire unions
 - \$560K supplemental for Law Department technology project

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