

MAYOR BRANDON M. SCOTT

2021 VIRTUAL TAXPAYERS' NIGHT

APRIL 21, 2021 | 6:00PM – 8:00PM

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Brandon M. Scott
Mayor



Agenda

- Fiscal 2022 Preliminary Budget Plan Presentation
- Public Testimony

Bureau of the Budget and Management Research



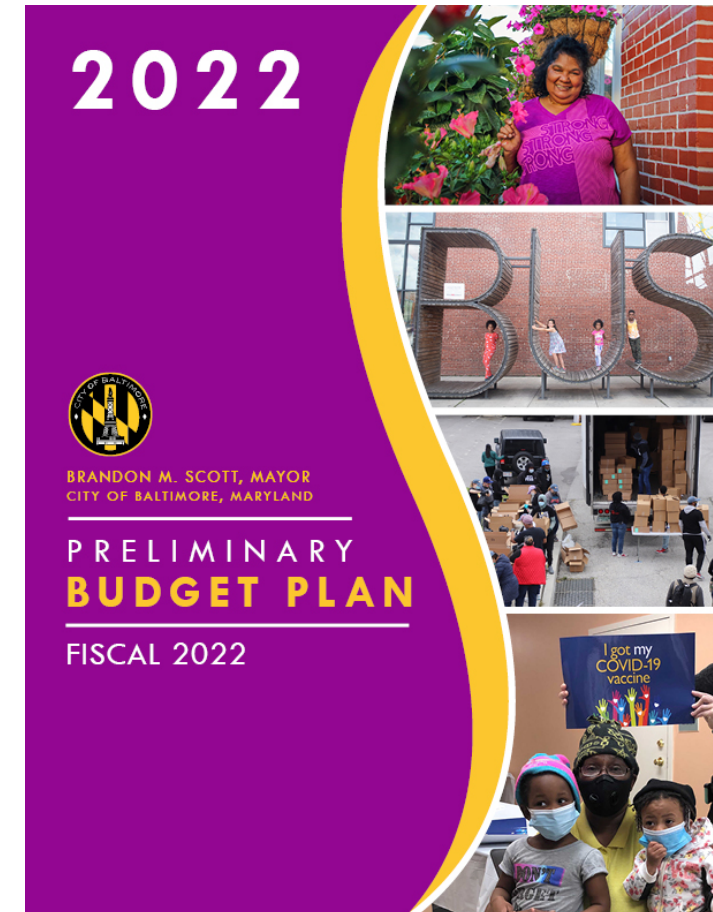
Budgeting for a Better Baltimore

Fiscal 2022 Preliminary Budget Plan

DEPARTMENT OF FINANCE | APRIL 21, 2021

Agenda

- Fiscal 2022 Overview
- Budget Recommendations
 - Prioritizing Youth
 - Building Public Safety
 - Clean & Healthy Communities
 - Equitable Neighborhood Development
 - Responsible Stewardship of City Resources
- COVID-19
 - Federal Aid
 - City Response

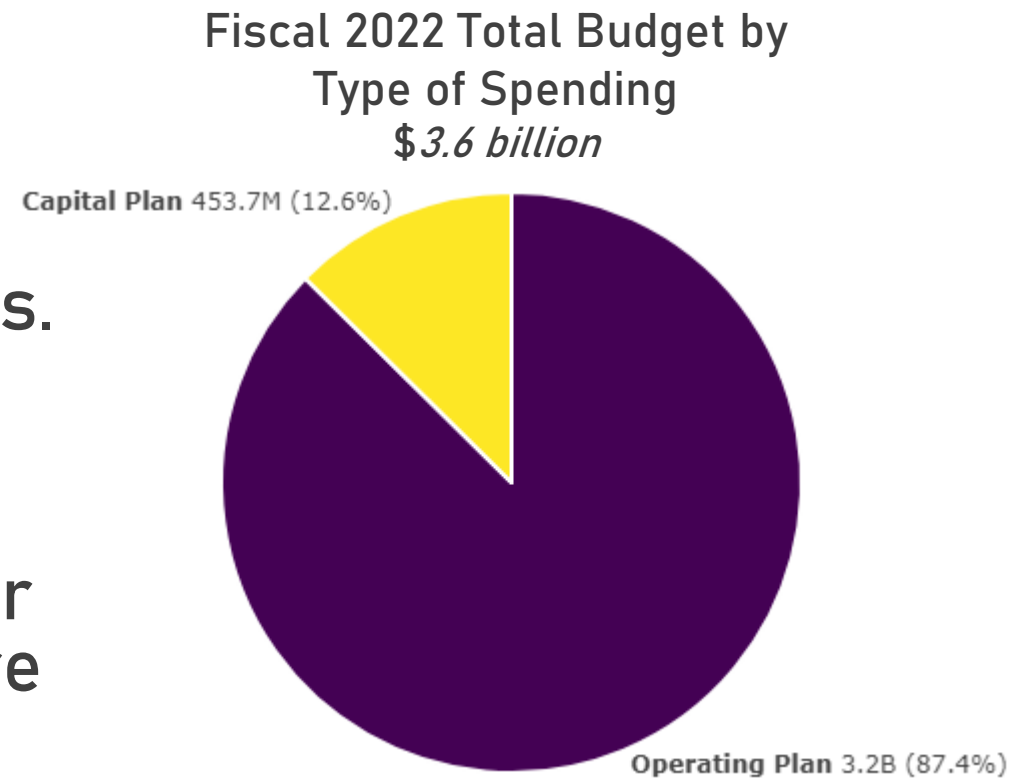


Fiscal 2022 Overview

Budget Overview

Operating and Capital Budgets

- Operating funds the daily business of the City, specifically covering programs, services, staff, and supplies.
- Capital funds physical infrastructure projects for the City, specifically major renovations and replacements that are long-term investments.



Capital v. Operating Budget

CAPITAL



OPERATING



Fiscal 2022 by the Numbers

Fiscal 2022	Fiscal 2021 Budget	Fiscal 2022 Recommended	Dollar Change	Percent Change
Operating Plan	3.02 billion	3.15 billion	126.6 million	4.2%
Capital Plan	823.2 million	453.7 million	(369.5 million)	-44.9%
Total	3.85 billion	3.60 billion	(242.9 million)	-6.3%

General Fund	Fiscal 2021 Budget	Fiscal 2022 Recommended	Dollar / Number Change	Percent Change
Budget	1.92 billion	2.01 billion	84.3 million	4.4%
Positions	9,387	9,359	-28	-0.3%

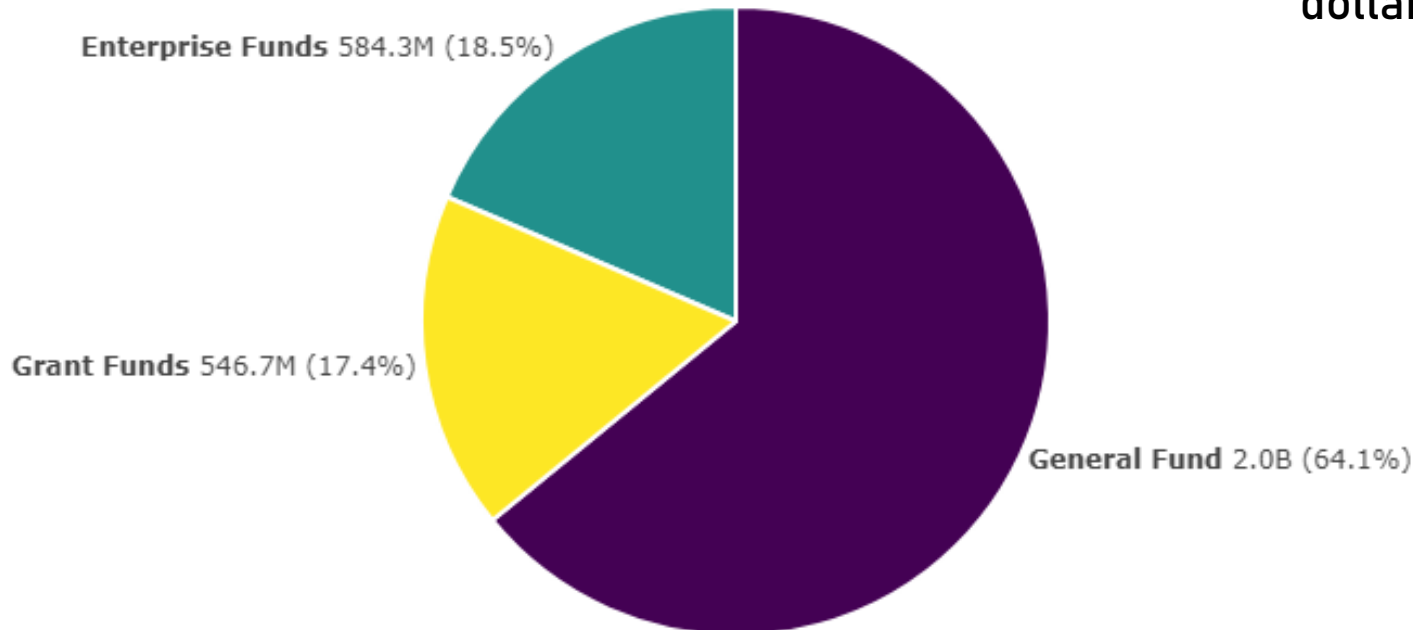
** Totals may not match detailed amounts due to rounding.*

Revenue Projections

Where the Money Comes From - Operating

Operating Budget by Revenue Source

Fiscal 2022 Operating Budget by
Revenue Source
\$3.15 billion



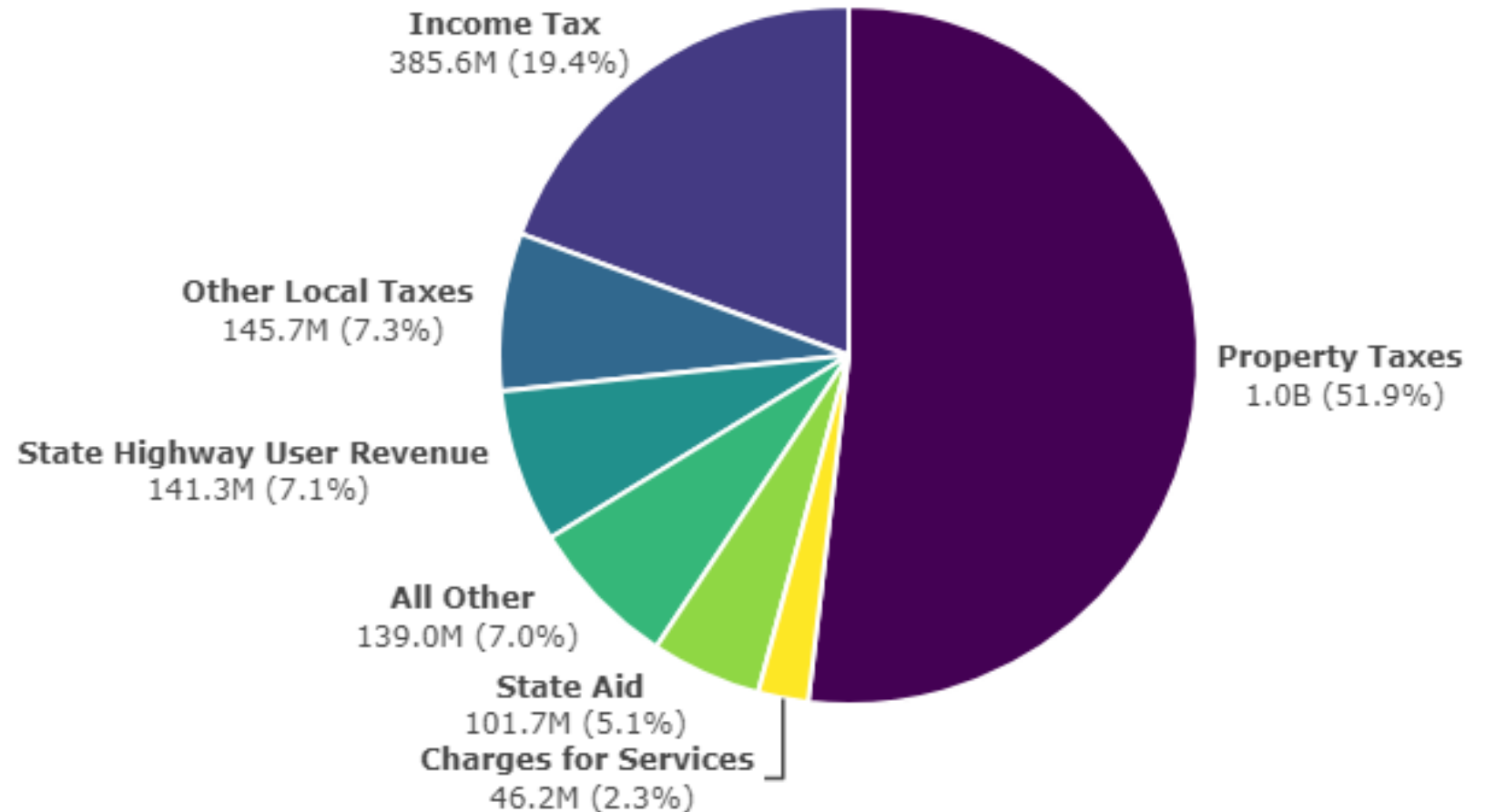
General Fund: is the City's largest fund. It includes all local taxes paid by residents, businesses and visitors. Policy-makers have the most management flexibility over how dollars are spent.

Grant Funds: are legally required to support specific programs and initiatives. The City receives funding from Federal, State and other special or private grantors.

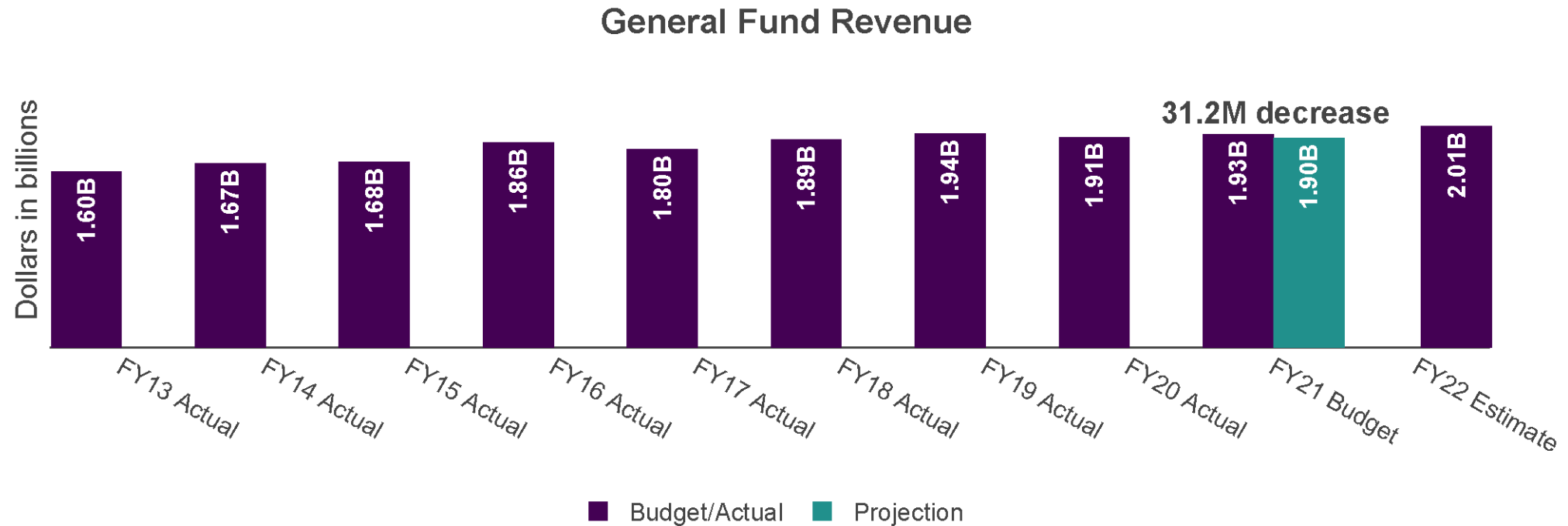
Enterprise Funds: are used for operations in which the cost of services is covered primarily through user charges, which are determined based on consumption.

Where the Money Comes From – General Fund

Fiscal 2022
General Fund by
Revenue Source
\$2.01 billion



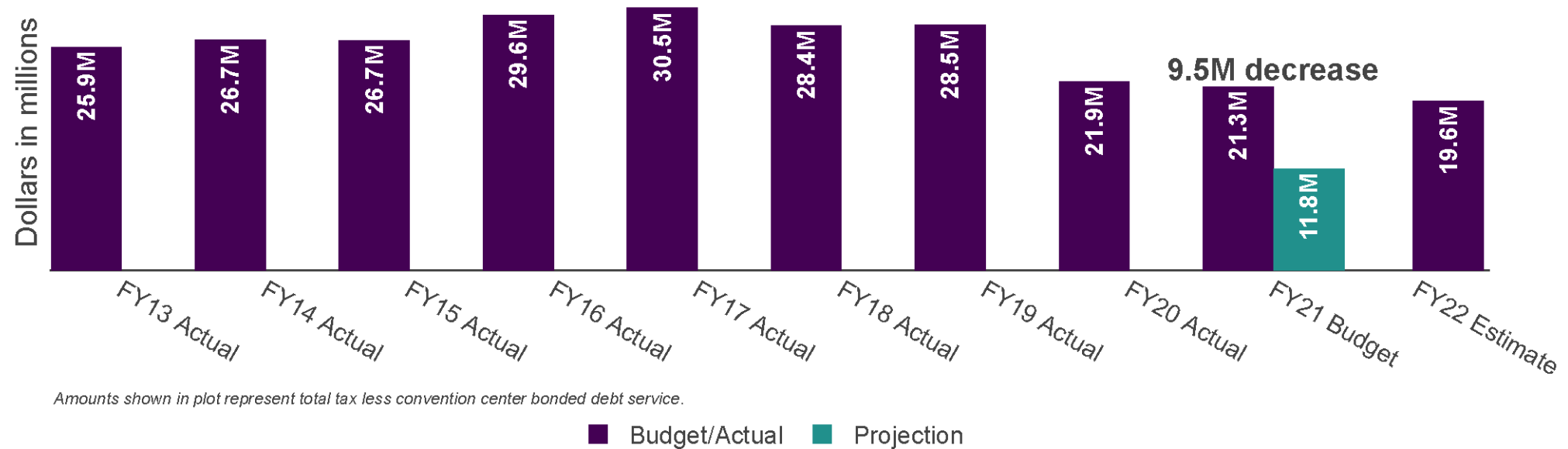
General Fund Revenue



- Decade-long economic expansion streak was broken by Fiscal 2021 COVID-19 disruption.
- Fiscal 2022 revenue assumes the beginnings of a slow and modest recovery from COVID-19.

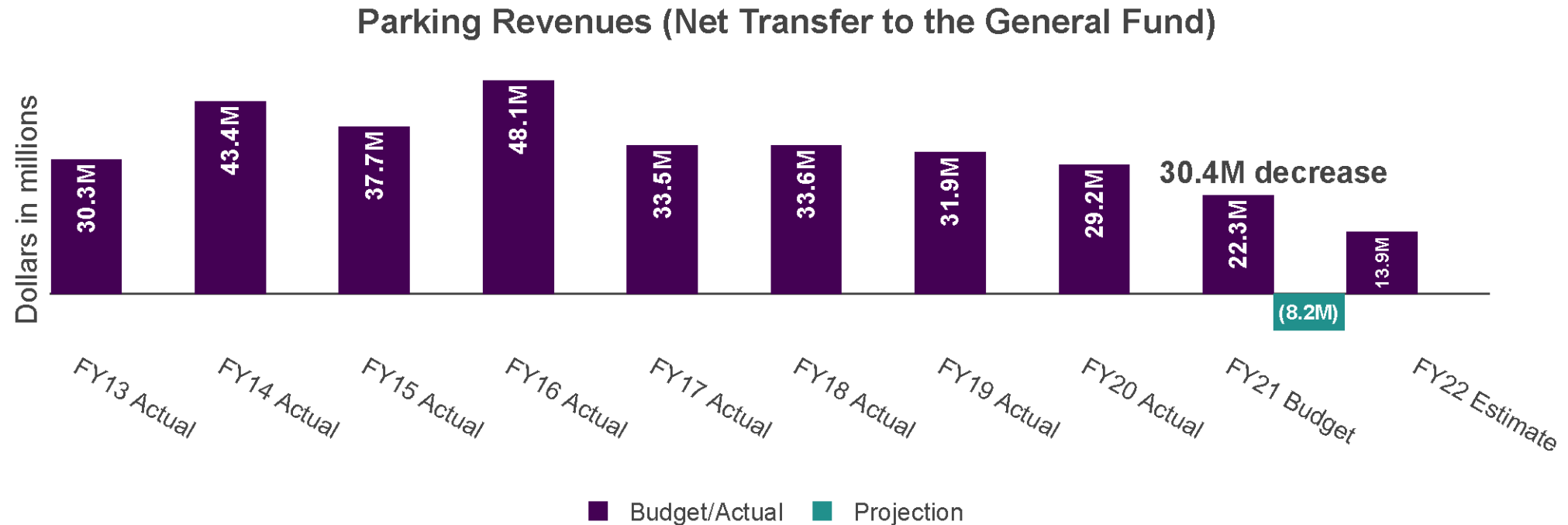
Hotel Tax

Hotel Tax Revenue (Net Transfer to the General Fund)



- Hotel occupancy has not crossed above 40% since the COVID-19 pandemic began and the average daily room rates remain 30% below pre-COVID levels.
- Full recovery is not expected until 2024.

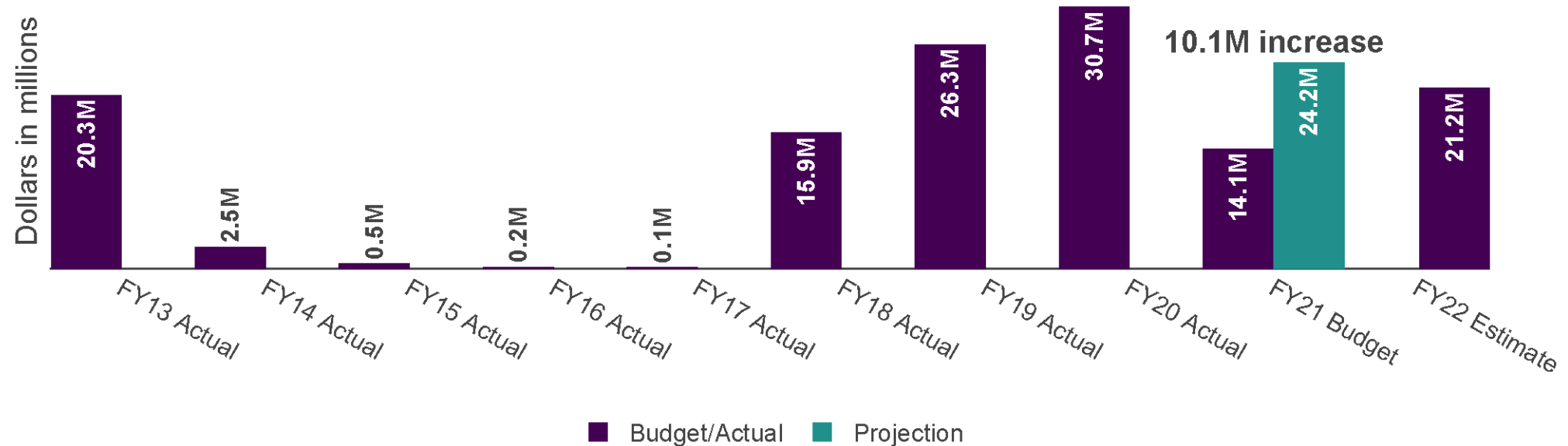
Net Parking Revenue



- Parking tax revenue has declined more than 55% compared to pre-COVID average activity.
- Metered parking revenues have observed 50% reduction in Fiscal 2021 and are estimated to experience a 25% decline for Fiscal 2022. City owned garage revenues have declined by 60% compared to pre-COVID levels.

Traffic Cameras

Speed and Red Light Camera Violation Revenues



- Camera violations increased during the pandemic. It is expected that drivers behavior will adjust as the economy opens and more people are on the streets; therefore, the Fiscal 2022 Budget anticipates a decline of 13.2% in the number of citations issued.

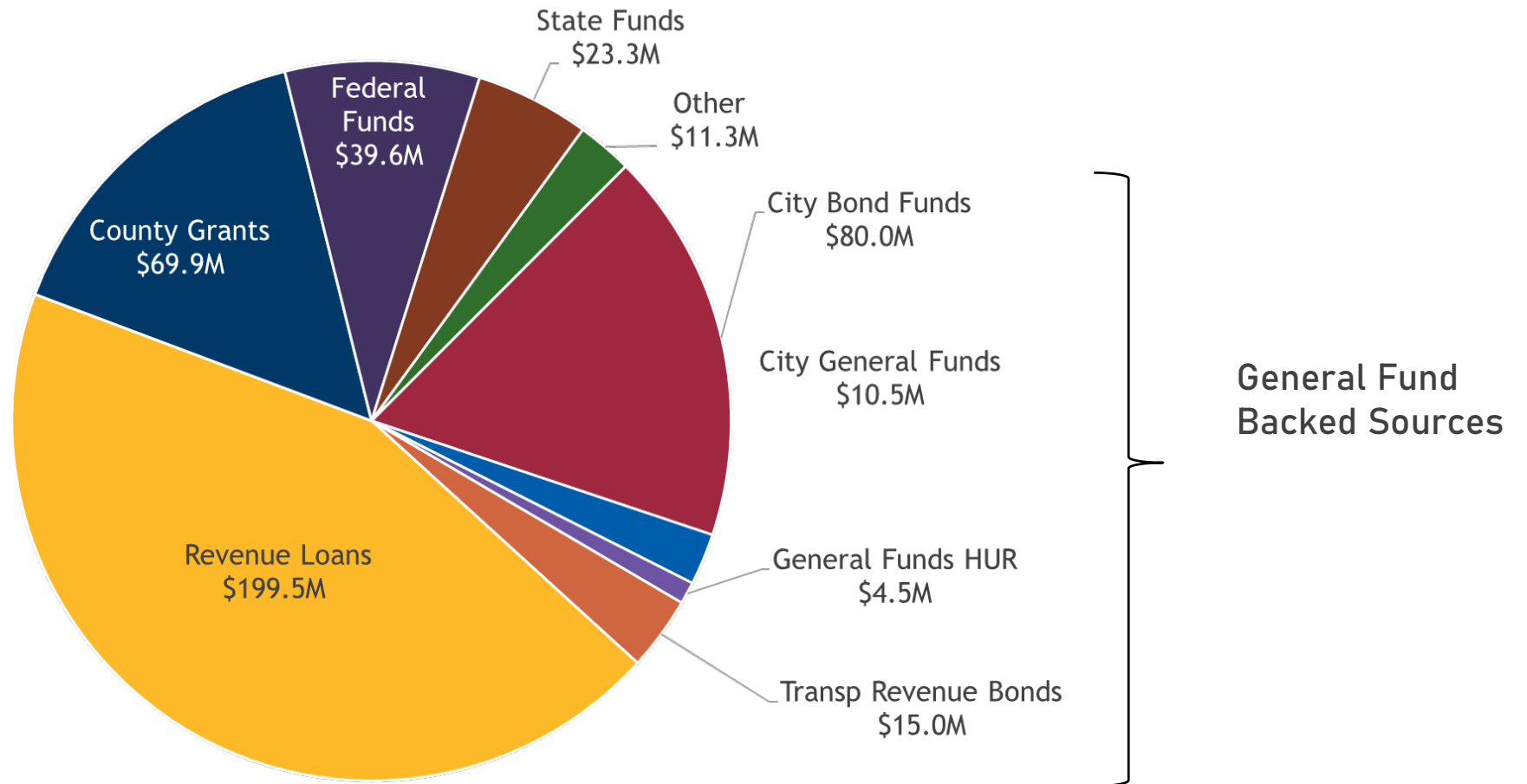
Capital Budget

The Board of Estimates defines a capital project as a physical betterment or improvement and related architectural and engineering studies. Types of projects include:

- Roads and Bridges
- Libraries
- Parks & Rec Centers
- Stormwater Infrastructure
- Bike Lanes
- Municipal Buildings
- Water/Sewer Pipes
- Vacant/Abandoned Building Demo
- Sidewalks
- Police & Fire Stations
- Sewage Treatment Plants
- Housing Redevelopment Public Markets
- Major Software Systems
- Senior Centers
- Water Treatment Plants
- Economic Development Projects
- Cultural Attractions
- Health Clinics
- Pumping Stations
- Schools
- Convention Center

Capital Budget by Fund Source

Fiscal 2022
Capital Budget by
Revenue Source
\$453.7 million



Capital Budget Funding

- Funding for capital programs comes from either current revenues or from borrowed funds.
- The Capital Improvement Plan (CIP) is "lumpy" due to the fact that revenue from DPW utilities make up two-thirds to three-quarters of the total in any given year and DPW's utility CIP generally goes through cycles.
 - For example, perhaps one year DPW plans out projects to meet certain programmatic requirements (such as their consent decree, MS4 permit, etc.), the next year appropriate funds for those projects, and then in subsequent years when these projects are in design, construction, etc. so they appropriate less.
- The Fiscal 2022 Preliminary Budget Plan includes a reduction in revenues of \$252,020,000, which is due to a reduction in the revenue bonds appropriated for Water, Wastewater, and Stormwater.

Budget Recommendations

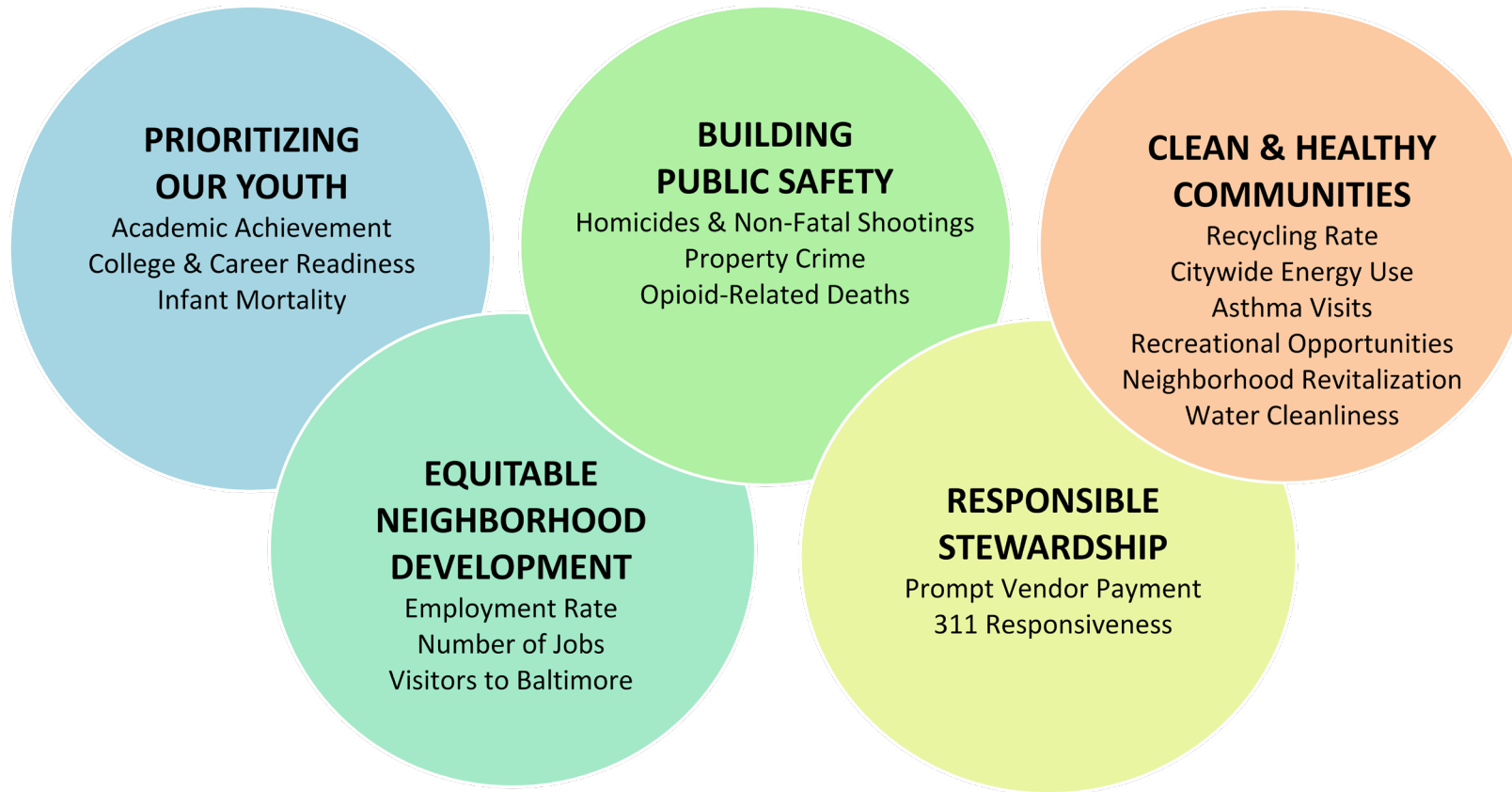
Fiscal 2022 Highlights

- Maintains critical City services.
- Utilizes \$52 million of CARES and FEMA aid to support continuing COVID-19 response.
- Kicks off recycling can initiative with private support, plus City Enterprise funds.
- Leverages City funds to access State weatherization resources, enabling the completion of 500 additional home projects.
- Continues the Sewage Onsite Support (SOS) Cleanup Program pilot, funded with City Enterprise funds.
- Funds translation of vital documents across City agencies, providing residents access to services in multiple languages.
- Continues implementation of Enterprise Resource Planning (ERP) system.



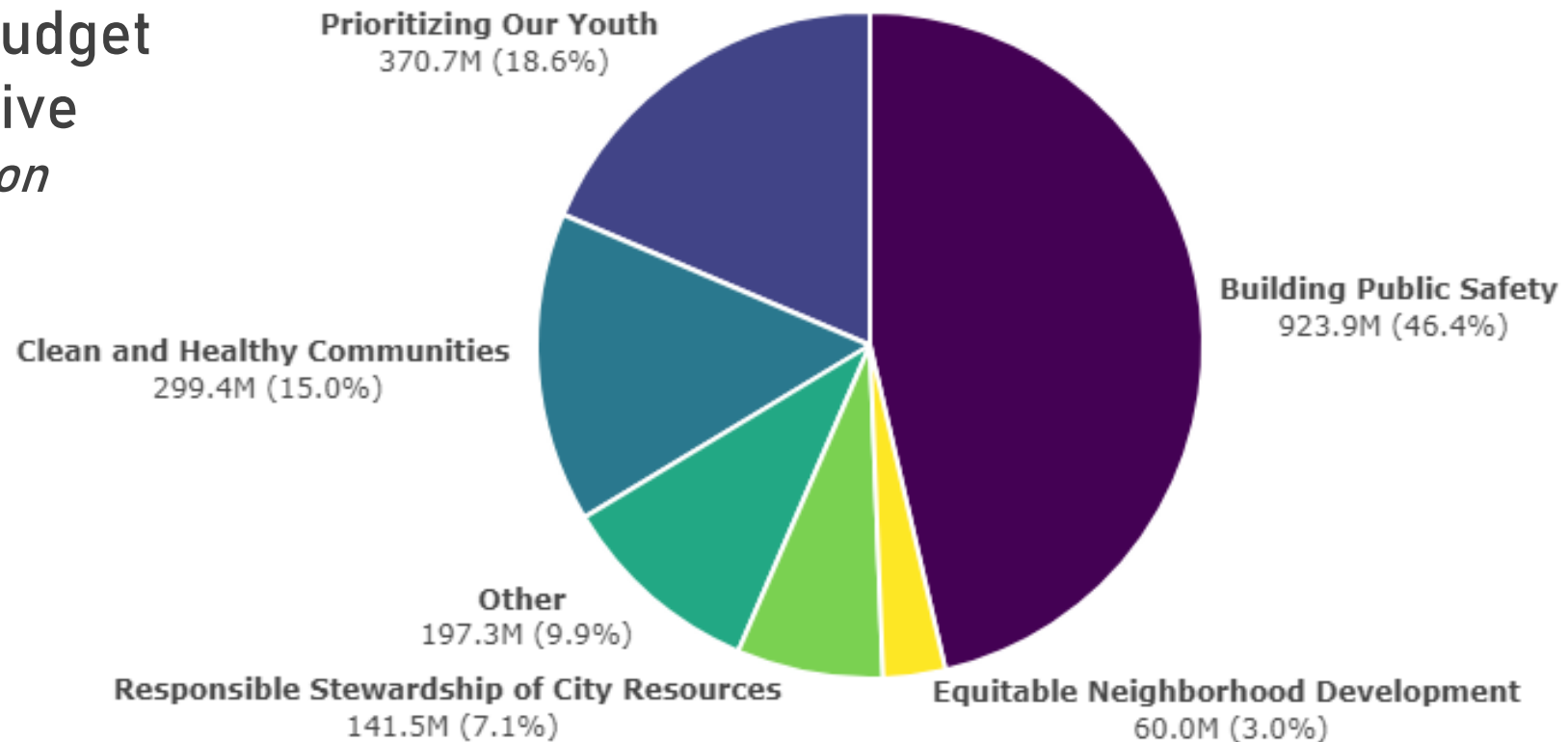
Photo: Mayor's Office of Children and Family Success

The Mayor's Priority Outcomes



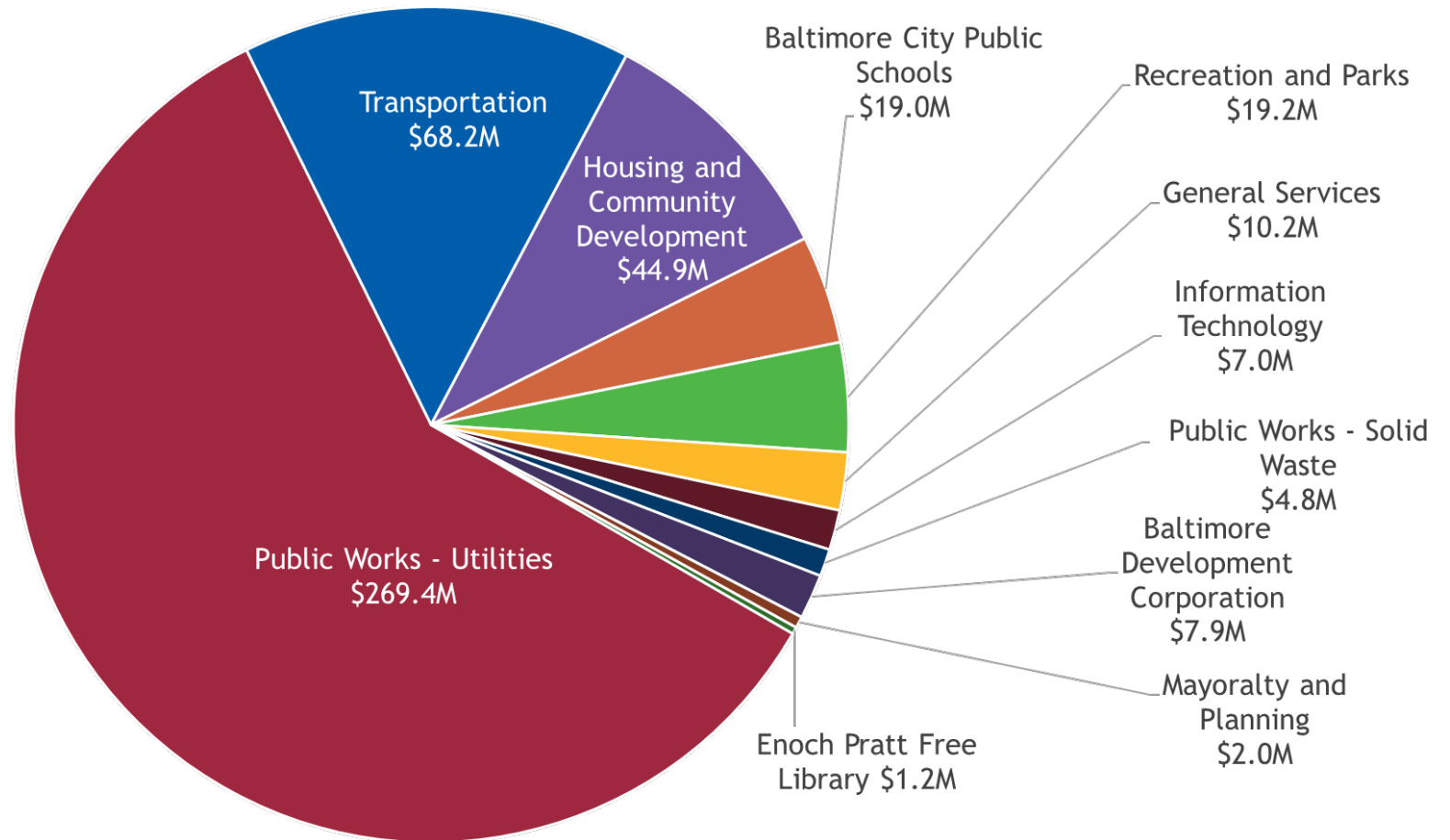
Where the Money Goes - Operating

Fiscal 2022
Operating Budget
by Objective
\$3.15 billion



Where the Money Goes - Capital

Fiscal 2022
Capital Budget by
Agency
\$453.7 million



Prioritizing Our Youth

Supporting City Schools: Support for City Schools is \$360.3 million and includes MOE, retiree benefits, school construction, and school health and crossing guard services.

New State-mandated contributions begin in Fiscal 2023.



Photo: Enoch Pratt Free Library



Enoch Pratt Free Library: \$27.6 million General Fund appropriation to support the healthy and safe reopening of branches, as well as digital library services and virtual programming like Books for Me and One Book Baltimore.

Building Public Safety



Photo: Mayor's Office of Neighborhood Safety and Engagement

Group Violence Reduction: The Mayor's Office of Neighborhood Safety and Engagement will leverage a \$850,000 private investment to kick-start the Group Violence Reduction Strategy (GVRs), an evidence based approach designed to curtail violent crime, expand opportunities for high-risk populations, and build better relationships between police officers and the communities they serve.

911 Fee: The City will increase its monthly 911 fee by \$0.25 per phone line to support the growing cost of 911 services as part of the Next Generation 911 (NG911) effort.

NG911 is a state-of-the-art public safety technology that will improve 911 service through secure call networks, better call routing capabilities, and the integration of call and geo-location data for use by emergency responders.



Photo: Baltimore City Fire Department

Clean and Healthy Communities

Sewage Onsite Support (SOS): The 12-month pilot of the Sewage Onsite Support (SOS) Cleanup Program, which began in Fiscal 2021, will continue in Fiscal 2022. SOS provides professional cleaning, disinfection, and disposal services to City residents in the aftermath of a sewage backup at no cost.



Recycling Cans: The Department of Public Works will begin distributing recycling cans for every eligible home in Baltimore. The \$8.3 million program is made possible by a private grant and an interest-free loan, with ongoing maintenance and debt service costs to be paid from the Stormwater Enterprise Fund.

Equitable Neighborhood Development



Career Navigators: MOED, in partnership with the Health Department, has hired Career Navigators to work with the Health Department's temporary staff who have been hired as contact tracers and supporting positions. Career Navigators will provide connections to support services, job readiness, resume assistance, and next steps to occupational training once the contact tracing positions end.

Career Access: The Mayor's Office of Employment Development (MOED) budget includes over \$5.8 million in grant funds to serve 30,000 residents and continue refining strategies to help residents get living wage jobs. A standardized "access points" intake process will launch at career centers, in order to evaluate residents' specific needs and direct them to relevant services.

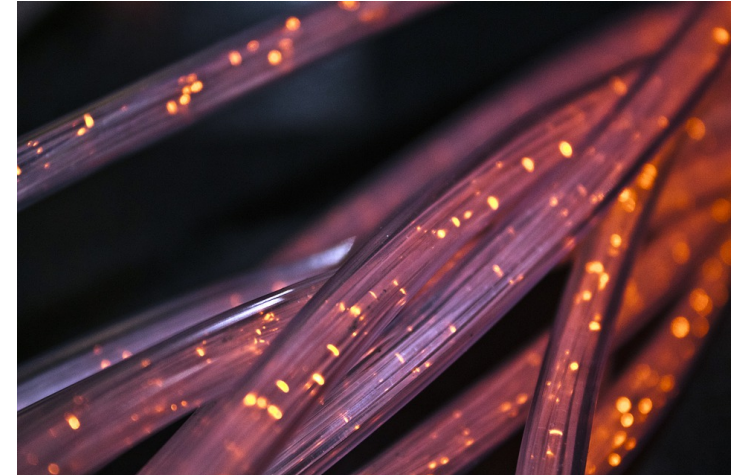


Responsible Stewardship of City Resources

Digital Equity: Baltimore will be one of the first cities in the nation to have a Director of Broadband and Digital Equity, which will be funded with over \$200,000 in grant support. This role will focus on how to expand high-speed, affordable internet access to over 60,000 Baltimore households currently without this critical necessity.



Photo: Baltimore City Information and Technology



Online Chat Innovation Fund Loan: BCIT will receive an Innovation Fund loan of \$200,000 to invest in an automated online messaging system for 311 service requests. The technology, similar to those used by online services and retailers, will provide real-time assistance to customers, which will reduce call volume pressure on the 311 Call Center.

Fiscal 2022 Capital Project Highlights



\$7 million for information technology, including \$1 million for broadband at public housing sites



\$2 million for Mayoralty and Planning, including \$500,000 for sidewalks and community projects near new 21st Century school buildings (INSPIRE Program), \$900,000 for shelter improvements, and \$1.4 million for cultural organizations



\$11.1 million for City buildings, including \$1.6 million for the Southeast Community Action Center, \$1.9 million for Fire Department facilities, \$1.4 million for Police Department facilities, and \$1.2 million to improve Library buildings



\$19 million for school building upgrades and additions (for school buildings not included in the 21st Century Schools initiative)



\$19.1 million for recreation and parks, including \$4 million for Chick Webb Recreation Center, \$1 million for Reedbird Park improvements, \$1.3 million for City Springs Park, and \$1.5 million for pool renovations



\$68 million for transportation infrastructure, including: \$15.7 million for bridges; \$13.8 million for major road reconstruction; and \$18.6 million for pedestrian, bike, transit, and safety improvements

Fiscal 2022 Capital Project Highlights



\$4.8 million for solid waste facilities, including a \$3 million contribution to expanding the Quarantine Road Landfill



\$45 million for Housing and Community Development, including: \$10 million for demolition and stabilization of vacant and abandoned buildings; \$7.5 million for homeownership and home repair incentives; and \$9.1 million for major redevelopment projects



\$7.9 million for Baltimore Development Corporation, including \$3.5 for the new Animal Care Facility and \$900,000 for Lexington Market construction



\$172 million for water main replacements, dam rehabilitation, and other improvements to the drinking water system



\$1.5 million for stormwater management projects



\$96 million for wastewater projects, including improvements to sanitary sewers and inflow and infiltration reduction projects

COVID-19 Response & Federal Aid

Federal Aid Chronology

- Coronavirus Aid, Relief, and Economic Security Act (CARES)
 - March 2020 – passed by Congress
 - Provided \$103.6M of direct aid to Baltimore City.
 - Provided supplemental funds for disaster relief via FEMA.
 - Provided supplemental funds through some existing grant programs such as CDBG and ESG.
- Consolidated Appropriations Act
 - December 2020 – passed by Congress
 - Provided \$17.7M for rental relief program to be administered by Baltimore City.
 - Extended the deadline from December 2020 to 2021 for the direct local aid authorized under the CARES Act.
- American Rescue Plan (ARP)
 - March 2021 – passed by Congress
 - Will provide an estimated \$670.3M of direct aid to Baltimore City.
 - Funding priorities and process currently being developed.
 - These funds will be included in the Executive Summary.

Federal Aid Rules

	CARES	FEMA
Funding	<ul style="list-style-type: none"> • Direct award to City • Total award of \$103.6 million • \$24.5M budgeted in Fiscal 2022. 	<ul style="list-style-type: none"> • Reimbursable; City must apply. • Estimated \$70.5M of support. • \$27.5M budgeted in Fiscal 2022.
Match Requirement	<ul style="list-style-type: none"> • No City match required, per the law. 	<ul style="list-style-type: none"> • No City match required, per Biden Executive Order.
Deadline	<ul style="list-style-type: none"> • Original deadline of Dec 2020. • Extended to Dec 2021. 	<ul style="list-style-type: none"> • No end date, but FEMA can close disaster period any time.
Eligibility	<ul style="list-style-type: none"> • Only for necessary expenses due to pandemic emergency. • Cannot be used for lost revenue. 	<ul style="list-style-type: none"> • Only for emergency protective measures, as defined by FEMA. • Cannot be used for general aid.
Examples	<ul style="list-style-type: none"> • Economic support for businesses, non-profits, and families. • Employee compensation for direct response. • Building retrofits. 	<ul style="list-style-type: none"> • EOC costs • Food purchase / distribution. • Sheltering and quarantine. • Medical care, facilities, and transport.

COVID-19 Response: CARES

Direct Personnel: \$8.15 million of remaining CARES Act funds will be used to support personnel that are “substantially dedicated” to emergency response, per allowable uses in CARES. This includes Fire EMS personnel through the end of December.



Photo: Office of Emergency Management

Other City Costs: \$16.35 million of remaining CARES Act funds will be used for other City response costs in Fiscal 2022, including technology upgrades, PPE purchases, cleaning and decontamination, and others.

COVID-19 Response: FEMA



Photo: Baltimore City Health Department

Food and Shelter: The City will continue to provide food distribution and sheltering as a means to prevent the further spread of COVID-19 in the community, seeking \$12.4 million in reimbursement. These programs will be phased out as the spread slows and when FEMA aid expires.

Mass Vaccination Sites: \$10 million of reimbursement will be sought for the cost of the City's mass vaccination sites through December.



Photo: Mayor's Office of Children and Family Success

COVID-19 Response: Other

Rental Relief: The City will utilize a myriad of resources to provide rental relief and eviction prevention services to tenants that have fallen behind on payments due to COVID-19.

Funding Source	Amount
Community Development Block Grants (CDBG)	7,900,000
Emergency Shelter Grants (ESG)	2,482,768
Homeownership Set-aside Program (HSP)	328,717
Affordable Housing Trust Fund (AHTF)	2,750,000
Consolidated Appropriations Act Emergency Rental Assistance	17,739,748
Total	31,201,233

COVID-19 Response: ARP

American Relief Plan: The City will receive an anticipated \$670.3 million in direct aid from the federal government. Funds will be received in two payments, the first in spring 2021. These funds are not included in the Fiscal 2022 Preliminary Budget Plan, but are being accounted for in the Fiscal 2022 Executive Summary and Agency Detail publications.



Connect with us!

Public testimony

To provide testimony, please sign up via the webform at bit.ly/FY22Taxpayers.

- Staff will then add your name to the list. Sign ups will be collected until 7:30pm.

Participants will be called upon by name when it is time to testify.

- Staff will find participants in the attendee list and unmute them when called upon.

Participants will have 2 minutes to provide testimony.

Once all participants have been called, the event will conclude.

The Board of Estimates will accept public testimony through April 30, 2021.

More information on how to submit testimony can be found at bit.ly/FY22Taxpayers.

MARK YOUR CALENDAR!



FISCAL 2022 BUDGET CALENDAR

APRIL 7
2021

Preliminary Budget Plan
introduced to Board of
Estimates

APRIL 21
2021

Board of Estimates
Taxpayers' Night

MAY 12
2021

Board of Estimates votes
on Recommended Budget

MAY 17
2021

Recommended Budget
introduced to City Council

For more info, visit:
budget.baltimorecity.gov



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Mayor

Bureau of the Budget and Management Research



Budgeting for a Better Baltimore