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SPECIAL MEETING

THIS MEETING OF THE BOARD OF ESTIMATES WAS CALLED
TO RECEIVE THE REPORT BY THE CITY COUNCIL ON THE
ADOPTION OF THE FISCAL YEAR 2019 OPERATING AND CAPITAL
BUDGET ORDINANCE AND TO CERTIFY THE REAL AND PERSONAL
PROPERTY TAX RATE FOR FISCAL YEAR 2019.

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Honorable Bernard C. "Jack" Young, President
Honorable Catherine E. Pugh, Mayor
Honorable Joan M. Pratt, Comptroller and Secretary
Rudolph S. Chow, Director of Public Works
Andre M. Davis, City Solicitor
S. Dale Thompson, Deputy Director of Public Works
Dana P. Moore, Deputy City Solicitor
Bernice H. Taylor, Deputy Comptroller and Clerk

President: "Good morning. The June 7, 2018 Special Meeting of the Board of Estimates is now called to order. In the interest of promoting the order and efficiencies of these hearings, persons who are disruptive to the hearing will be asked to leave the hearing room immediately. Meetings of the Board of Estimates are open to the public for the duration of the meeting. The hearing room must be vacated at the conclusion of the meeting. Failure to comply may result in a charge of trespassing. Before I proceed, would like to give an overview of this meeting's agenda. First, we will receive the report by the City Council on the adoption of the Fiscal Year 2019 Operating and Capital Budget Ordinance. Second, the Board will adopt and certify the Real and Personal Property Tax Rate for Fiscal Year 2019. At this time I would like to recognize members of the City Council who have joined me here

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today. Um -- Councilman Ed Reisinger is with us. Um -- Chairman Costello -- Councilwoman Clarke -- Councilman Stokes -- Councilman Schleifer, and I said Councilman Reisinger. Any other Council members that I might have missed? Okay. Um -- I want to thank you all for being here. Um -- thank the Council people who um -- voted um -- that we can advance this uh -- budget uh -- that was very critical because uh -- if we hadn't done that, we would have to call extra council meetings. So, I want to thank Councilwoman Clarke, Councilman Schleifer, and all of the Council -- uh -- Councilman Reisinger, Councilman Stokes and the 12 who voted uh -- with us to make sure that we could be here today to uh -- move this budget forward. Uh -- now I would like to recognize Councilman Eric Costello. He's the Chair of the Budget and Appropriations Committee who will present the Adopted Budget to the Board. Councilman Costello."

Councilman Costello: Thank you, uhh -- Mr. President, Madam Mayor, Madam Comptroller members of the Board of Estimates. I'm pleased to report that the City Council Budget and Appropriations Committee as well as the entire Council has passed the Operating Budget uhh -- for Fiscal Year 2019. Madam Mayor, I'd like to specifically

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thank you for presenting a budget, which included all of our shared priorities from last year, which clearly indicates uh -- our shared value for these shared priorities. So, thank you very much for your leadership in that and Mr. President also like to thank you for your leadership throughout the budget process. Happy to answer any questions."

President: "Any questions for the Budget Chair? Thank you Mr. Chair. Thank you. At this time, I will open the floor uh -- and recognize Mr. Bob Cennane, Director of the Bureau of the Budget and Management Research. Uh -- you can step forward and do a brief re -- uh --"

Mr. Bob Cennane: "Thank you Mr. President, Madam Mayor, Madam Comptroller, members of the Board. My name is Bob Cennane uh -- Budget Director for the City, and today, now that the Council has passed the Ordinance of Estimates for Fiscal 2019, the final step is for the Board uh -- to certify the Property Tax Rates for next year. Uh -- we're recommending the Property Tax rate on Real Property \$2.248 per \$100 of assessed value and a Personal Property rate of \$5.62 per \$100 of assessed value. These were the same rates that were presented in the uh -- proposed budget. Thank you."

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President: "Thank you. Okay uh -- at this time, I will open the floor to the Mayor uh -- for any comments and uh - to any other members of the Board who wish to speak, after the Comptroller. I will be the last one."

Mayor: Thank you, Mr. President, um -- first I would like to thank you. I would like to thank our Chairman Costello and the entire Budget and Appropriations committee and all of the City council people who are here and those of you we have deliber -- deliberated fairly over this budget um -- I've also like to thank our budget Director Bob Cename. This is his first budget um -- Director as chair of our budget and I thank him because of the work that he has done and his team has done and the Department of Finance um - - your demeanor speaks well for you and speaks well for this City. Uh -- I also like to take a moment to thank my staff um -- our Director of Legislator of Government Affairs as well as her team who work so diligently with the council. You know our goal is to continue to work together and let me just say Mr. President and Comptroller and to all the City Council persons that I believe that this is a great partnership. We believe in the priorities of this City but, we also know that compromise and working together

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is how we continue to move our City forward. Often times when we are doing what we think that we should do we may miss some things, and so it is important that we reflect carefully over the needs of the various districts in our City and that we understand the needs of our Council as we deliberate over the needs of our city. This budget reflects our priorities investing in Safe Streets it is important to all of us. You all know that reducing violence in our City is a high priority while we reduce violence by some 23 almost 24% uh -- this year, we know that this is not enough. Um -- further funding in terms of technology is important to our Police Department but also getting policing right in our City. Uh -- ROCA is a new program that we are introducing this year. We believe that its focus on 17 - 24 years old will help us to reduce violence again in our City. Strengthening public safety agencies is also very important, you all realize that through the Violence Reduction Initiative, that we have been able to put our city agencies in the same room with our commanders and we believe that reflects on the reduction and violence in our city. Uh -- this budget also reflect -- reflects our commitment once again, to education I think together last year we talk about our need to

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support and continue to invest in our young people; the ninety million dollar commitment remains in this budget for the next three years. We've also added another two million dollars in capital funding for a total of \$19 million dollars to assist our schools with their HVAC and maintenance issues that became apparent during this cold winter months. Let me also remind us that our Cities school budget operating budget is about \$1.3 billion dollars and I always like to put that in perspective when you think about the 80,000 children that we -- we we're held responsible for in our school system. I always want to do that because we realize that our operating budget of the City is about \$2.8 billion that's for 600,000 plus people in our City. They also want to remind us that as our State legislators have deliberated and I had the um -- pleasure of working to bring back a billion dollars to build new schools in our City. We're on target to build more new schools in Baltimore City than the entire state. But we also realize that the Kirwan formula is important to the City of Baltimore. So as I attended the BUILD meeting last night I made a commitment on all of our behalves that we will continue to work and fight for our

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students in our system to increase funding through Kirwan. So, I am excited about the work that we will to continue together, I'm pleased by this budget. I am excited that we've investing public transit, our libraries remain open longer hours than they were before, almost in every community 40 hours, and we made libraries fines go away. That does not mean you get a book and don't forget to bring it back and don't lose it because you still would have to pay for it. But we want our children to have access to opportunity which is why this budget also reflects our commitment to making Baltimore City Community College free. And -- and in oftentimes I think what is missing is the fact that Baltimore leads in so many ways, making Baltimore City Community College free is an example because now the State follows us. Making state community colleges across the state free. So we are a leader in many ways. We got a lot of work to do as the City Council working with you, Mr. President, Madam Comptroller, all of our City agencies, we know that we can push our City forward. Ultimately, I believe that this budget finds the right balances between fiscal prudence and social responsibility that serves the citizen of Baltimore. The other

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conversation at BUILD last night was around um -- the need to make sure that we reflect affordable housing in our City. So that when we are giving TIFs and not really giving away because TIFs help to stimulate investment in our City, that we make sure affordable housing is available and that we are getting more than just buildings in return, that we are helping create communities. So, again Mr. President thank you for your cooperation Madam Comptroller, City Council people, all of our agencies heads and my own departments for working so diligently for what I believe is a balanced budget. Thank you."

President: "Madam Comptroller."

Comptroller: "Yes, I'd also like to thank Mr. President, I'd like to thank ah -- Councilman Costello, the entire City Council and Madam Mayor and the Finance Department for all the hard work and effort that culminates with the passing of the Fiscal 2019 Budget. Today the Board will approve the Fiscal 2019 Ordinance of Estimates' which comprises among other things the Operating and Capital Budgets for the City and the Real and Personal Property Tax Rates for the City. The leadership and the employees of the City of Baltimore will utilize the Operating Budget and oper -- the Operating and Capital Budgets to continue to provide services

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to our communities and to spur growth and development in the areas of housing, green spaces, economic opportunity and public education. The Mayor's budget provides strong support for public safety initiatives both in law enforcement as well as antiviolenace and outreach programs. We are encouraged by the strong commitment to reduce violence and property crimes, and we are equally encouraged that the Mayor and the Police are placing a high priority on improving accountability -- accountability. Continued support of public schools through the funding of the second year of the \$90,000,000.00 commitment which is in addition to annual recurring funding along with increased capital funding for the building and system repair and maintenance, demonstrates the City's commitment to our future. These comm -- these commitments are in place as we wait for the results of the Kirwin Commission's evaluation of education funding formulas. Coupling these efforts with the Mayor's vision that addresses neighborhood revitalization, will serve to provide a safe quality-learning environment for our children and their families. The Mayor's capital budget program, which is well above \$600,000,000.00 provides investments in the areas previously mentioned and also in our utility infrastructure, public safety and libraries. These

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investments will improve the quality of life for our citizens. Lastly, I strongly support the Mayor and her team's decision to extend the 10-year financial plan out to 2028. For the purpose of making decisions and preparing for contingencies in the event that the current economic climate softens and requires us to more closely manage our resources. Preparing now helps to mitigate the adverse effects of an economic downturn, and allows our City to provide the essential services our citizens rely on in their everyday lives. In sum, the Fiscal 2019 Budget will support all of our desires to move Baltimore forward. Thank you."

President: "Thank you. Um -- first of all I would like to thank my staff um - they are in the back especially ah -- Kara Kuntz who worked very closely ah -- with Chairman Costello. I want to thank Councilman Costello for just doing a great job as Chair of the Budget Committee, he kept me informed of just about everything, all the requests by the council members that they wanted, um -- as priorities. I want to thank the administration for working through those priorities for making sure that we um -- agree to do most of the priorities that we ah -- put forth. Um -- I just can't say

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enough about Chairman Costello. Um -- the energy that he has is just I -- I don't know, I thought I had a lot of energy, but this guy is like the energizing bunny, um -- he just keeps ticking and keep going. So I just want to thank you for being um -- the Chairman that paid attention to every little detail. I mean you were driving me crazy with some of them, but you know you paid attention to every little thing and he alerted me to everything that he felt was important that I should know and that's what a good Chairman should do. Um -- I want to thank ah -- Mr. Bob Cennane who um -- it was a pleasure, I mean a real pleasure working with you. Um -- we couldn't even um -- really get on you like we used to get on the budget person, because um -- you were very honest with us. You were open. You answered all of our questions that we had um -- even though we didn't like some of them, you know you answered them um -- and we worked very well with you, and I know that I can speak for the Chair of the Budget Committee that it was a pleasure working with you. It was a breath of fresh air. So, um -- to our Finance Director, thank you for picking um -- someone um -- that this Council could really trust and that we could really work with. It was really a joy working with ah -- Mr. Bob Cennane. And to my

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council members, um -- you know I thank you all for standing um -
- behind me as Council President, um -- to make sure that we got
this budget done. I didn't want to call no extra Council meetings
to get the second and third reader, you guys just stood up and
said 'hey where can we help', we'll make sure we get the 12 votes
and we get it done. And to the Mayor's staff thank you guys for
working ah -- working with us and getting back to us on critical
issues that was important to my council members um -- because I
can't do this work by myself. I need each and every one of my
council members to stand with me and be supportive of me. We don't
always agree on everything, but one thing I can say about my
Council, we always come to an agreement with what's best for the
citizens of Baltimore, and that's what's most important. How we
all rally around each other, even though we might not agree on a
common um -- um -- goal, but the real goal is serving our citizens
and we rally around each other and we really a good job in doing
that. So um -- I just want to thank you all again and we still
have more work to go. Um -- you know the Mayor was committed last
night to foot patrols, that's something that's dear to my heart,
um --- and I was happy to hear you Madam Mayor make that commitment
for foot patrol we need to get the officers out of their cars,
into the community where they can really engage our community,

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that's the only way we are going to foster that good relationship by engaging our residents in the City of Baltimore. Um -- and we have a great conversation with the BUILD organization, it wasn't adversarial at all because most of the things they want is what we want. We want a safe City where our kids can learn, grow and play. We want good schools like any other system throughout the country have good schools; and we pledge to go and work with CEO, teachers and principals to fight for the Kirwan Commission recommendations. And we're going to do that. I'm asking my Council colleagues to stand by because we're going to go down as a team, let them know that Baltimore City Public schools are important to us, because we have to stop the school-to-that is put more resources to be proactive rather than being reactive, so that we can reduce the violence in our City. And we made a commitment to um - look for more training programs that's going to produce jobs at the end. Not just a certificate like some gentleman was saying. We want to make sure that we're producing real jobs, because the key to reducing crime is people working, so they can take care of their families. They want the same thing that we have. We have jobs,

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we can go on vacation, we can buy things for our kids. They want the same thing. So once we put these opportunities in place for them to be gainfully employed and work with these companies who said that they have jobs that can't be filled, we're going to work with them to get their um - pre -- prerequisites so that we can get the people trained to get these jobs, so that we can Baltimore to working. Um -- Baltimore's a great City, um -- better days are ahead of us and working with the Mayor and the Comptroller and our Council, I think Baltimore is going to be greatest City in America, once we put all the pieces to the puzzle together and it's going to be a place where people want to live. Where we're going to grow our population again and um -- I just want to thank you again, Madam Mayor, a budget that we didn't have to fight for. You listened to us last year and you put all those baseline priorities in place so, we didn't have much to really fight over with this budget, but council people had certain priorities they wanted for their districts and you grace --gracefully acknowledged that and -- and helped us to deliver those. So, I just want to thank you again and thank everyone who helped us to get this budget done. So now with that um -- Madam Mayor I would entertain a Motion to Certify the Tax Rate."

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Mayor: "Ah -- yes Mr. President. Right ah --- before I make that Motion, let me just remind you all that we're continuing on the path of the last administration and that was to reduce our property tax by \$.20 by 2020. So having said that Mr. President, I will make the following Motion, I move to certify the Real Property Tax Rate at \$2.248 of \$100.00 per assessed value and the Personal Property Tax Rate at \$5.62 per \$100.00 of assessed value to support the Budget for Fiscal 2019."

Comptroller: "Second."

President: "I have a Motion and a Second to approve the Certification of the Fiscal 2019 Real Property Tax Rate at \$2.248 per \$100.00 of assessed value and the Personal Property Tax Rate at \$5.62 per \$100 of assessed value. All those in favor say AYE. All opposed NAY. The Motion carries. Ah -- Madam Mayor I want to go um -- so people won't say that we did something wrong. That's that 2019 Real Property Tax."

Mayor: "Okay. I thought that was what I said."

Comptroller: "I seconded it."

Director of Public Works: "She did."

President: "Alright. Okay you did. I thought you said 18."

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Mayor: "No."

President: "Okay. All right. Um -- well my ears deceive me. There being no more business the Board, we will ah -- adjourn until its regularly scheduled meeting on Wednesday, June 13, 2018. Thank you."

Mayor: "Thank you all."



JOAN M. PRATT
Secretary