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SPECIAL MEETING

THIS MEETING OF THE BOARD OF ESTIMATES WAS CALLED
TO RECEIVE THE REPORT BY THE CITY COUNCIL ON CITY
COUNCIL BILL NO. 17-0065 FOR THE ADOPTION OF THE FISCAL
YEAR 2018 OPERATING AND CAPITAL BUDGET ORDINANCE AND TO
CERTIFY THE REAL AND PERSONAL PROPERTY TAX RATE FOR
FISCAL YEAR 2018.

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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
David E. Ralph, Interim City Solicitor
S. Dale Thompson, Deputy Director of Public Works
Bernice H. Taylor, Deputy Comptroller and Clerk

President: "Good Evening, the June 12, 2017 Special Meeting of the Board of Estimates is now called to order. In the interest of promoting the order and efficiency 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 hearing. The hearing room must be vacated at the conclusion of the meeting. Failure to comply may result in a charge in trespassing. Before I proceed, I would like to give an overview of this meeting's agenda. First, we will receive the report of the City Council on the adoption of the Fiscal Year 2018 Operating and Capital Budget Ordinance. Second, the Board will adopt and certify the Real and Personal Property Tax Rate for Fiscal Year 2018. At this time, I would like to

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recognize the members of City Council who have joined us here today. We have uh - the Chair of the Public Safety Committee, Councilman Brandon Scott, if he would stand. We have um -- Councilwoman Mary Pat Clarke --."

Mayor: "We don't have the cameras on."

President: "Um we have Chairman of the Budget Committee Eric Costello, okay. Thank you."

Councilman Eric Costello: "Thank you."

President: "Um thank you all for being here. Now I would like to recognize Councilman Eric Costello, Chair of the Budget and Appropriations Committee who will present the adopted budget to the Board."

Councilman Eric Costello: "Thank you Mr. President, Madam Mayor, Madam Comptroller and members of the Board of Estimates. I am pleased to report on behalf of the --."

Comptroller: "State your name."

Councilman Costello: "I am Eric Costello, Councilman for the 11th District. Mr. President, Madam Mayor, Madam Comptroller, members

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of the Board, I am pleased to report on behalf of the City Council that we do have an Ordinance of Estimates to present to you. This is the result of a lot of collaboration and hard work between the administration and the City Council. It includes funding of our shared priorities which focus on ah -- youth programing activities and education. It includes a commitment from the City Council that we will not seek additional education funding for City schools specifically FY 2017. It includes two supplemental ah -- two transfer appropriations and one supplemental appropriation. It includes our commitment to the administration that we will expeditiously hear all those supplementals, including the supplementals that close out Fiscal Year 17. Thank you and I will answer any questions you may have."

President: "Any questions? Thank you."

Councilman Costello: "Thank you Madam Mayor."

President: "Now I will recognize Mr. Andrew Kleine, Director of the Bureau of the Budget and Management Research."

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Mr. Andrew Kleine: "Good Afternoon Mr. President, Madam Mayor, Madam Comptroller, Honorable members of the Board of Estimates. I am Andrew Kleine, the City Budget Director. In accordance with Article VI, Section 7(c) of the Baltimore City Charter, submitted herewith is a report for the fiscal period July 1, 2017 through June 30, 2018. The report shows the taxable basis, the difference between anticipated General Fund expenditures approved by the City Council and expected General Fund revenues, exclusive of property taxes and a sufficient tax rate needed to raise the difference between such anticipated expenditures and revenues and funding sources. The City Council has approved an Ordinance of the General Fund Appropriation of \$1,834,900,000.00. The General Fund Revenue exclusive of Property Tax estimated by the Board of Estimates \$932,208,860.00. Property Tax Revenue required is \$902,691,140.00. Sufficient Tax Rates are for Real Property other than Public Utility, \$2.248 for \$100.00 of assessed value and Personal Property and Public Utility Real Property, \$5.620 for \$100.00 of assessed value. I ask the Board's approval for the sufficient tax rates."

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President: "Thank you. At this time I will open the floor to the Mayor and any other members of the Board who wishes to speak."

Mayor: "Thank you, Mr. President. Our Chairman of our Tax and our Budget Committee, thank you, the Board and the members of the City Council. This ah -- was Fiscal 2018 Budget recommended by the Board of Estimates I believe is responsible. It is responsible because it invests more in education and youth development than in our Police Department. There are recommendations to ensure that we continue to fund our Police Department so that we can have more officers on the street protecting our citizens. It's also includes the first installment of a three year commitment of a \$90.2 million commitment to help City schools while the General Assembly is considering the Kirwan Commission recommendations for a new education funding and so ah -- we are grateful to have added additional dollars, but also for the agreement because we understand that it is for a three year period we hope that we come to an agreement on the Kirwan report sooner than that but we thought that it was important that the commitment of the three

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year period was made so that we ensure that we are supporting our schools. Support for the City Schools now totals some \$363 million dollars that's with the addition of the \$10.4 million ah -- required by the Baltimore City Council in the 12 year agreement. This budget also includes as you well know and to others that don't that we were able to get another \$5.4 million in new highway user revenue for free student transportation on the MTA that's the buses. That's the reason Mr. President, because I think that for two years prior we didn't have legislation on this past assembly close to providing us \$6,000,000.00 for the following two years each year, so that gives us three years of funding for the transportation for young people in our City. In addition to that, the Pratt Library received another \$3.7 million dollars in new state and local funding to extend hours across the system, with a focus on underserved neighborhoods. This budget is responsible because it also closes a \$20,000,000.00 dollar shortfall while continuing property tax reduction for homeowners, maintaining core city services, and prioritizing school funding. However, the

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budget was not balanced without us also making some very tough choices. It reduces the base that funding for the Police Department by \$5.5 million dollars, which means that they will have to look at ways for where that \$5.5 million dollars cut come from there is talk about grounding helicopters but they are taking another approach and we hope it is beneficial to the citizens of Baltimore. It also shifts the full cost of street sweeping to the storm water fund. Refinances the Convention Center hotel loan, and asks the Orioles and Ravens to pay more for police support on game days. As you know, I had a conversation earlier today with Peter Angelos and some of the Oriole staff that this is something that we have to be concerned about because prior to the agreement uh -- that was put in place 30 years ago years, it certainly does not allow for inflation 30 years later. Ah -- police officers make more than they did 30 years ago and it certainly does cost the City additional money. Finally, I want to acknowledge that the budget negotiations were to our community on the outside actually tough but for us it is about making proper choices, and

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with that I am pleased that we were able to come together at the end to support our priorities. But I want the public to know is that while we are not totally satisfied with this budget process, one of this things that I think is important is that we adjusted priorities in terms of how we want the City run but at the same time we worked collaboratively with the City Council so that we made sure that their needs are met as well and that the agency heads should also know what they're priorities are and let me just give you an example. When we think about safe streets and we talk about funding safe streets, your safe streets are a priority of the Health Department which runs a \$1,000,000.00 dollar surplus every year. There is a \$1,000,000.00 surplus every year and that should be embedded in their budget. And so this year, made sure they have it in their budget. Because again, when you sitting down talking with the Department heads you know they are probably talking and we're talking on priorities as well. So again, I want to say thank you for working with us ah -- Council. I think in order to have this done especially when you think about all the

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members on the City Council working collaboratively with this President and Madam Comptroller, I want to thank you for always supporting the efforts of all the citizens of Baltimore. Because as I have said to people, this is not the City Council's budget, it's not the Mayor's budget, it is the people of Baltimore City to the extent that we continue to work collaboratively together I think it makes a difference in the forward moving of Baltimore City. Thank you."

President: "Um -- Madam Comptroller."

Comptroller: "Thank you, Mr. President. I would like to thank the Mayor, the City Council, and the Department of Finance for all of the hard work and effort that culminates the passing of the Fiscal Year 2018 Budget. Our currently elected City officials, the senior leadership of the City and all of our employees, have demonstrated over the past seven months that much can be accomplished when we work together to improve the lives of our residents and present Baltimore as a positive experience for our visitors to the City. We all recognize that we have long way to go and a lot of work ahead of us to create the kind of Baltimore we know it can be,

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and to maximize our potential as an economic engine for the State of Maryland. Education and community development is key to strengthening the Baltimore City Public School System. The restoration of neighborhoods and the creation of commercial properties is designed to attract talent to remain in or relocate to our City for current and future job opportunities that derives from the development. We are asking working families to be a part of this experience, and these working families deserve strong, fully performing schools that will educate their children who are our future leaders. Working families need and should expect high quality. Working families need and should expect high-quality education for their children which provides the foundation for the collegiate experience and for the skilled positions arising from economic and community growth and development. Employers want to hire local talent, and they need for our local talent be prepared to take the positions that workplace has to offer. I am heartened that the Mayor and City Council reached agreement on providing additional funding for the City-State Bridge to Kirwan partnership and funding to support community schools and out-of-school time

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programs. The educational experience we must provide for our children must occur in a safe environment, not only inside the four walls of the school building, but in the areas surrounding the schools and on the way home from school. Obvious to all of us is the need for public safety to have the ability to have the necessary resources to accomplish this mission. We depend on and fully support law enforcement to fight crime, and we understand prioritizing the need to take violent repeat offenders off of our streets and out of our communities. I am confident that the Mayor and the Police Commissioner will advance the City and the Police Department towards reaching the goals of accountability and efficiency. The agreement reached by the Mayor and City Council on the Safe Streets Initiative should be viewed as a tool for reducing crime and the agreement assures the continuance of a program designed to divert at-risk individuals from involvement in the criminal justice system. We are no different than any other parts of the country in that we struggle with drug addiction, homeless, uninsured or underinsured healthcare and an aging infrastructure. Funding the Maryland Food Bank Program and the AARP Experience

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Corps Baltimore through the agreement reached by the Mayor and the City Council, is indicative of our ability to make good choices for our citizens, notwithstanding limited resources. The Fiscal Year 2018 Budget is evidence that we are good stewards of our resources, and demonstrates to stakeholders at the Federal and State levels that with the Mayor's strong leadership, we are moving in the right direction and that we are creating opportunities and experiences in partnership with the private sector. All of these initiatives will make our City a better place to live, work and play. Thank you."

President: "Thank you. I will be very brief. Chairman Costello, thank you very much for your hard work during these budget negotiations. You've served the citizens of Baltimore well and I'm proud of the leadership you've shown. If you were nervous as a first-time Chairman of the Budget Committee it didn't show. You've been tough, but a fair negotiator and the citizens are better for it. Madam Pugh, thank you for remaining at the negotiating table and for always having the heart and mind focused on the people of Baltimore. Um -- thank you to your senior team

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especially Karen Stokes and Kyron Banks who worked tirelessly working with our team back and forth: we never gave up, they never gave up. Ah -- I want to thank your um -- um -- Director of Budget and Bureau of Budget Management Research um -- for being tough. You know he had tough skin, I know that we said some things at the Council meetings that probably um -- got under his skin, but he didn't show it. Um -- he was steadfast and we were steadfast as well. Madam Mayor, this agreement will fund program that will benefit thousands of Baltimore children happened because of your partnership and support. You've remained focused on providing opportunities for our kids and I'm proud to work closely with you as we invest in our city's most precious resource, our young people. And again to my Chair of the Budget Committee and his entire Committee thank you for a yeoman's job and we look forward to continue our partnership with the Mayor. Madam Comptroller, as a member of the Board you have to vote for this. I want to thank you for your support in moving this budget forward. Thank you. I will entertain a Motion to certify the tax rate."

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Mayor: "Mr. President, I MOVE that we certify the Tax Rate of \$2.248 of \$100.00 of assessed value for real property other than public utility and tax rate of \$5.62 of \$100.00 of assessed value for personal property and public utility real property for the budget for Fiscal Year 2018."

Comptroller: "Second."

President: "I have a Motion and second to approve the certification of Fiscal Year 2017 Real Property Tax Rate at \$2.248 to \$100.00 assessed value of the property tax rate and \$5.62 per \$100.00 assessed value. All those in favor say AYE. All opposed NAY. The motion carries. There being no more business, before this Board, the Board will adjourn until its regularly scheduled meeting on Wednesday, June 14, 2017."


JOAN M. PRATT
Secretary