

Budget Proposal Includes 600 City Layoffs

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The city's Department of Finance on Wednesday presented a preliminary budget that calls for the layoffs of more than 600 city employees to help close a \$121 million budget deficit.

No agency was left untouched, according to 11 News I-Team reporter Jayne Miller.

The proposed budget would abolish 941 positions -- 606 of them currently filled.

"We didn't create this problem, but we have to solve it," Mayor Stephanie Rawlings-Blake said. "City government must tighten its belt and get more value for every single tax dollar. We need to do what families are doing every day and be honest about what we can afford and focus funding on the core services that we need."

Within the city Police Department, 193 positions are eliminated in the proposal -- 120 of them are currently filled.

The proposal would eliminate the police helicopter unit, known as Foxtrot, along with the police marine unit and the unit that uses horses, Miller reported.

Seven firehouses would be closed, and 91 Fire Department employees would be laid off under the proposal.

Twenty-nine of the city's recreation centers would be closed, and 161 recreation and parks positions would be cut.

Rawlings-Blake pledged to work with the City Council on an alternative comprehensive budget plan to restore critical services.

"Some of the cuts we would be forced to make are unacceptable and simply go too far, especially cuts to police, fire, recreation and infrastructure," she said.

City Finance Director Ed Gallagher called the budget proposal the most devastating he's seen.

The \$121 million deficit is the result of a big drop in state highway funds, a decrease in the city's share of income tax revenues and a \$28 million increase in taxpayer contributions to the employee pension funds. Without pension reform, city officials said that pension payment balloons by another \$64 million.

The preliminary proposal is a detailed plan of what the city proposes to do with existing revenues. The mayor is expected to propose several measures to increase revenue in mid-April.

A top city aide said the mayor does not want to increase the property tax rate, Miller reported.

One alternative may require nonprofit institutions, such as hospitals and universities, to make payments in lieu of taxes because they're exempt from the city's property tax.

"We forgo \$80 million in property tax and millions more in personal property tax for land occupied by nonprofits," said city Budget Director Andrew Kleine.

The new budget scraps the old way of doing the city budget and allocates funds according to six objectives to weed out programs and services that aren't effective or efficient.

The worst-case scenario budget also shows there's no money for the Fourth of July fireworks at the Inner Harbor, no money to put on the annual Preakness parade and no money to pick up bulk trash or to fix broken street lights. Street paving and pothole-filling services would also be cut.

"You just touched base on animal control being hit 11 percent. Eleven percent means, are we going to be able to pick up the carcasses of dead animals in the streets?" questioned City Councilman Robert Curran.

The mayor said the "doomsday" budget will happen if the city doesn't drum up new revenue.

"If we can't live with those cuts, we have to find a way to restore some of that funding. I plan to start working with my colleagues on the council to start having those conversations," she said.

Council members told 11 News they're talking about a simulated slot machine bill and a possible parking tax increase, among other things.

"Putting a toll booth up at Interstate 83 or at the Baltimore County line where the county government and city government can share the revenues of anybody coming to the state of Maryland," suggested City Council President Jack Young.

The toll booth at I-83 would be legally impossible, 11 News learned.

"It sounded interesting, but I'm not certain we have the legal authority to be able to do that. I know the city can't do a commuter tax in any way, but what we can do is look at our parking tax and make sure we're getting everything we can out of that from the people who come in every day," said Councilman Bill Cole.

Cole said it's time to find serious solutions to a serious problem.

"If we go through and do this without increasing any of these other revenue enhancements, the fact is, it will be devastating, and it will cripple city government," he said.

City leaders need to find \$50 million in order to restore some of the safety and recreation center cuts. Many Council members said they're hoping private sponsors will come forward to make sure the July 4 and Preakness traditions will continue.