

600 Baltimore workers to receive layoff notices

New taxes could prevent 350 layoffs

By Julie Scharper, *Baltimore Sun*, May 24, 2010

Six hundred layoff notices are slated to land on the desks of Baltimore union leaders next week, as the City Council scrambles to reach an agreement over a bevy of competing tax proposals to plug a huge budget gap.

About 350 of those positions could be saved if the council passes \$50 million in new taxes and fees before the end of next month, but the union contract requires leaders to be warned of possible layoffs at least 30 days in advance, city labor commissioner Deborah Moore-Carter said Monday. Individuals will receive layoff notifications in mid-June, she said.

Even if the new taxes are approved, 250 workers will lose their jobs on July 1, the beginning of the new fiscal year, as the city grapples with a \$121 million shortfall in Mayor Stephanie C. Rawlings-Blake's \$2.2 billion spending plan. Union leaders said workers were jittery and distraught as they wait for news of layoffs. The majority in danger of losing their jobs are blue-collar workers in public works or recreation and parks.

The pink slips are a "wake-up call" for city workers, many of whom live paycheck to paycheck, said AFSCME president Glennard Middleton. "These are the workers who actually live in Baltimore... and provide those necessary services. We're the fabric of the community."

Council President Bernard C. "Jack" Young said it seemed "awful cruel" to notify workers of layoffs when some might not actually lose their jobs. But members of the administration pointed out that since the council has not passed any new taxes, officials must make budget decisions based on current sources of revenue.

City Council members are haggling over proposals introduced by Rawlings-Blake to stanch the shortfall, including raising income, hotel and parking lot taxes. Meanwhile, one of the most lucrative and controversial proposals — a four-cent tax on bottled beverages estimated to bring in \$11 million in revenue — appeared to be shelved at the council's meeting Monday evening.

Councilwoman Helen Holton, who chairs the taxation and finance committee, asked that the measure be placed on "indefinite second reader," meaning that there was no guarantee it would come to the final vote.

Dozens of opponents of the bill, including grocers, bottle distributors and Annapolis lobbyist Bruce Bereano, packed council chambers. A number of proponents of Rawlings-Blake's revenue package, including members of the interfaith group BUILD, came to show their support.

At a luncheon work session earlier in the day, Councilman William H. Cole IV said that he had drafted several amendments to the bottle tax, including reducing the fee to two or three cents. But Holton said the bill would remain in limbo unless the council was unable to raise \$50 million in revenue through other means.

Last week, as news broke that similar taxes had been quashed in Washington and Philadelphia, council members announced that they had figured out how to raise sufficient revenue without a bottle tax.

Several council members have drawn up their own proposals to bring in revenue, including Councilman James B. Kraft, who unveiled a plan Monday to impose a \$4 monthly tax on cable service, which he estimated could bring the city as much as \$10 million.

The tax would require those who live in the city but do not pay property or income taxes to pay their share, Kraft said.

"We need to spread the cost of running this city among more of the people who live here," he said.

Under Kraft's proposal, a telecommunications tax would be levied on cable service, although satellite dishes would be exempt.

Kraft also introduced a proposal to reduce property tax rates by two cents if the revenue were to exceed projections.

"The goal is to reduce the city's dependency on the property tax as its primary source of revenue," Kraft said, noting that under the preliminary budget, more than one-third of the city's income is derived from property taxes. The city's property tax rate is the highest in the state.

Also at Monday's meeting, the council approved a proposal from Councilman Robert W. Curran to impose an excise tax on video poker machines. That measure, which will require one more council vote and the mayor's signature before becoming law, is expected to generate about \$2.2 million.

Even with new sources of revenue, the city must cut about \$70 million in services and benefits to close the budget gap. The loss of 250 city workers would mark the deepest layoffs in several decades.

The city's office of employment development is planning workshops and benefits fairs to help those who lose their jobs.