

Legislative Budget Analysis
Proposed FY 2024 Operating and Capital Budgets
Office of the County Auditor
Baltimore County, Maryland
HEARING DATE: May 3, 2023



Department of Planning

Director: Steve Lafferty

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Legislative Analyst: Scott Mitchell

Questions to Department Sent	Monday, April 17
Responses Received	Friday, April 21
Analysis considers all agency responses.	

BALTIMORE COUNTY
FISCAL YEAR 2024 BUDGET ANALYSIS

DEPARTMENT OF PLANNING (012)

BUDGET SUMMARY

\$ in Thousands

PROPOSED CHANGE	GENERAL	SPECIAL	TOTAL	% Change Prior Year
FY 2023 - 2024 Change	\$ 303.0	\$ (13.0)	\$ 290.0	8.5%

BUDGET TRENDS

FY 2022 Actual	\$ 2,837.5	\$ 2,737.1 ^(A)	\$ 5,574.6	
FY 2023 Approp.	3,418.5	13.0 ^(B)	3,431.5	-38.4%
FY 2024 Request	3,721.5	-	3,721.5	8.5%
FY 2024 Budget Analysis	3,721.5	-	3,721.5	8.5%

POTENTIAL REDUCTION	TBD	\$ -	TBD	
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^(A) Reflects audited expenditures \$2.7 million more than the amount reflected in the Executive's budget documents.

^(B) Adjusted for a supplemental appropriation totaling \$13 thousand not reflected in the Executive's budget documents.

PERSONNEL

PROPOSED CHANGE	GENERAL		SPECIAL	
	FULL-TIME	PART-TIME	FULL-TIME	PART-TIME
FY 2023 - 2024 Change	3	(3)	0	0

BUDGET TRENDS

FY 2022 Actual	30	9	0	0
FY 2023 Approp.	33	8	0	0
FY 2024 Request	36	5	0	0
FY 2024 Budget Analysis	36	5	0	0

POTENTIAL REDUCTIONS	0	0	0	0
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VACANCY DATA

Positions Vacant as of 3/13/2023*	2	0	0	0
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*Provided by the Office of Budget and Finance.

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BUDGET SUMMARY:

The proposed FY 2024 budget for the Department of Planning totals \$3.7 million, an increase of \$290 thousand, or 8.5% over the FY 2023 budget.

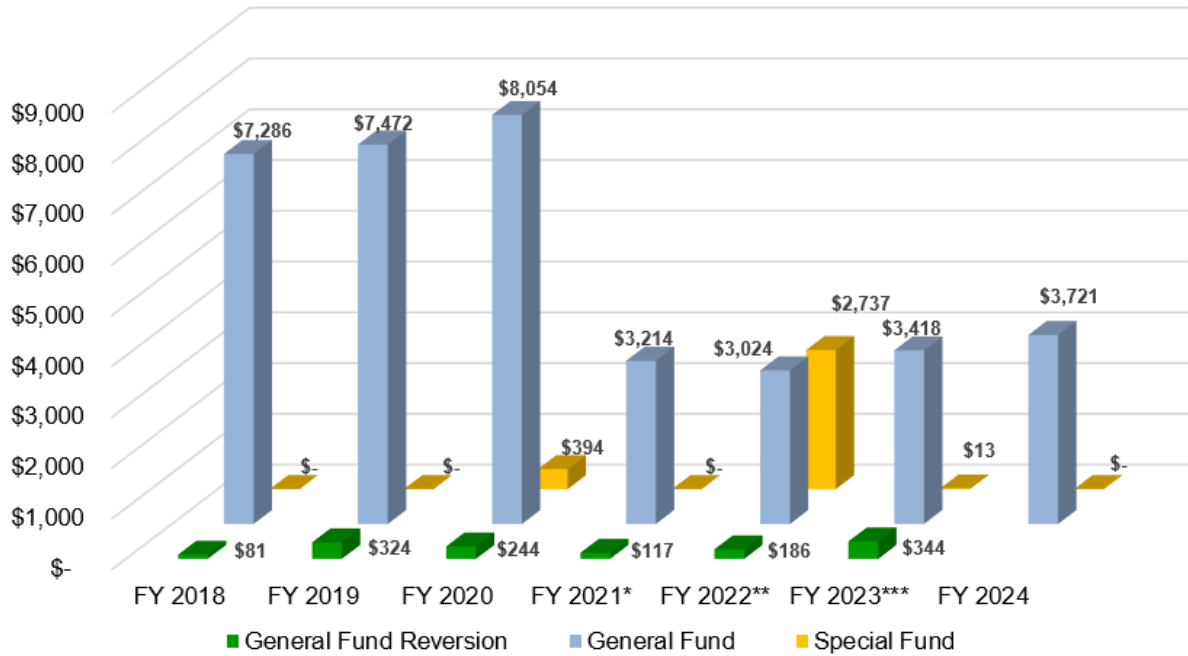
	General Fund	Special Fund	Total
	(\$ in thousands)		
2024 Request	\$ 3,721	\$ -	\$ 3,721
2023 Appropriation	3,418	13	3,431
\$ Increase/(Decrease)	\$ 303	\$ (13)	\$ 290
% Increase/(Decrease)	8.9%	-100.0%	8.5%

- **General Fund** – The budget increase is due primarily to personnel expenses (e.g., COLA, increments), consultant services to support the implementation of Master Plan 2030, and Comprehensive Zoning Map Process costs.
- **Special Fund** – The budget decrease is due to the one-time FY 2023 CLG [Certified Local Government] Grant – Baltimore County Design Guidelines Update.

See Exhibit 1 for a budget history and Exhibits 2A and 2B for the distribution of expenses across programs and expenditures, respectively.

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Exhibit 1: Total Budget History (\$ in thousands)



* FY 2021 General Fund - Shelter contracts to DSS - Housing and Community Development
 ** FY 2022 Special Fund - Baltimore County COVID-19 Emergency Response Fund
 *** FY 2023 General Fund - Reversion is an estimate from the Office of Budget and Finance

Exhibit 2A: Total FY 2024 Budget by Program \$3,721 (\$ in thousands)

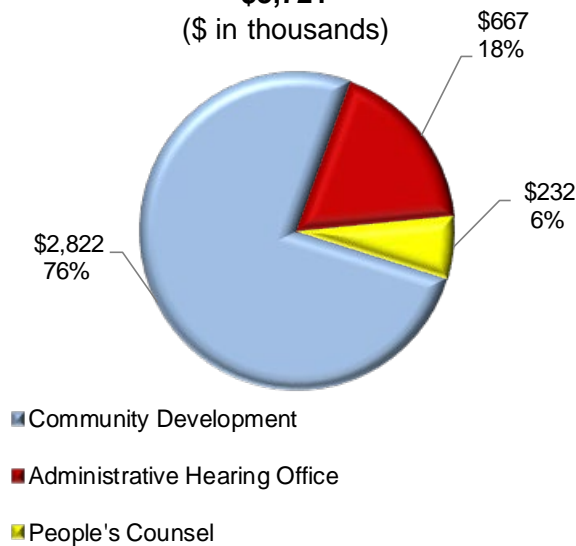
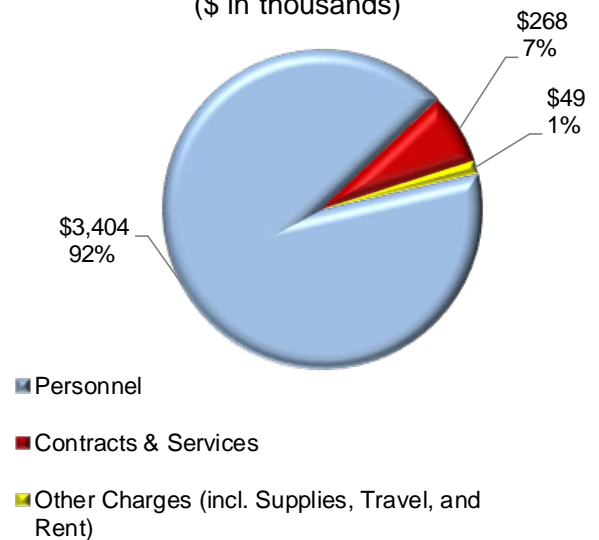


Exhibit 2B: Total FY 2024 Budget by Expenditure \$3,721 (\$ in thousands)



See #1 and #2 (below) for details.

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POTENTIAL BUDGET REDUCTIONS:

- The proposed FY 2024 operating budget includes **\$164 thousand for new consultant services to help implement Master Plan 2030** with regards to zoning, land use, small area plans, and changes in regulations (see #1, for details). *The Department advised that it does not have sufficient capacity to accomplish its workload without external consultant support. To the extent that the Council deems less General Funds than proposed to be necessary for this purpose, an operating budget reduction would be viable.*
- The proposed FY 2024 capital budget includes **\$12.15 million in General Fund PAYGO Contributions** for Department-administered “Community Improvements” projects, including:
 - **\$2.0 million** to enable the Western Golf Association to provide safety and visitor related infrastructure, such as scaffolding, walkways, seating, and utilities, for the BMW Championship PGA event, which is returning to Baltimore County in 2025 (see #4 for details).
 - **\$10.15 million in discretionary grants to various other organizations for specific facility improvements and a feasibility study** (see #4 for details).

To the extent that the Council deems less General Funds than proposed to be necessary for these purposes, capital budget reductions would be viable.

OPERATING BUDGET HIGHLIGHTS:

General Fund

1. **Non-Personnel Expenses** totaling \$317 thousand **reflect 8% of the General Fund budget but account for more than 71% of the Department’s General Fund increase for FY 2024**, as follows:

- **New Consultant Services** (\$164 thousand) are proposed to help the Department

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implement Master Plan 2030 with regards to zoning, land use, small area plans, and changes in regulations (see discussion below). The Department advised that it does not have sufficient capacity without external consultant support.

- **Comprehensive Zoning Map Process costs** (\$52 thousand) include postage and shipping (\$18 thousand), advertising and printing (\$12 thousand), office supplies (\$10 thousand), and other miscellaneous expenses (\$12 thousand) (see discussion below).

Master Plan 2030

On April 3, 2023, the County Executive released the draft Master Plan 2030. The corresponding news release explained that the Plan was the culmination of a two-year master planning process that began in spring 2021 and included input from various stakeholders including County agencies, local experts, and the public (more than 50 community meetings with 1,000 attendees and 4,000 comments and suggestions).

The Plan includes four key building blocks (a focus on preparing for the future needs of Baltimore County, incorporating best planning practices, providing clear implementation guidelines and benchmarks, and creating a “living” document that will evolve throughout the years), with three interwoven themes (equity, sustainability, and vibrant communities), and six guiding principles (livable built environment, harmony with nature, resilient economy, responsible regionalism, inclusive planning, and healthy community).

Online public comment closed on April 14, 2023 (mail and email comments can be provided directly to the Planning Board until noon on May 17, 2023). The Planning Board is scheduled to host a public hearing on May 18, 2023, deliberate on June 1, 2023, and vote on the Plan on June 15, 2023, followed by submission to the County Council with anticipated final adoption this summer.

Comprehensive Zoning Map Process (CZMP)

The CZMP is prescribed in the County Code and occurs every four years. This process enables changes to the County’s zoning map and to the text of the Zoning Regulations. The next cycle begins this September and concludes September 2024 when the Council will vote on individual requests for rezoning.

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On December 19, 2022, the Council approved Bill 84-22, which amended the sequence and nature of the information the Department provides to the Planning Board and the public notice requirement. In this regard, the Department advised that the Planning Board meeting was changed from March 2024 to February 2024 to provide the Department the benefit of hearing public concerns and comments prior to providing recommendations to the Board.

The Department should be prepared to discuss:

- ***Any use of consultants in developing the draft Master Plan, and the associated cost and source of funding within current and prior-year budgets; and***
- ***The anticipated process for updating the “living” Master Plan 2030 and whether consultants could be utilized on a one-time basis, rather than in an ongoing role (e.g., training internal staff to implement the Master Plan on an ongoing basis).***

2. **Personnel Expenses** totaling \$3.4 million reflect 92% of the General Fund budget but **account for less than 29% of the Department’s General Fund increase for FY 2024**, as follows:

- **Across-the-board Salary Enhancements** (\$148 thousand)
 - Two 2% COLAs effective July 1, 2023 and January 1, 2024 (\$94 thousand)
 - Fully-funded increments (\$54 thousand)
- **FY 2024 Effect of FY 2023 mid-year COLA** (\$27 thousand)
 - The FY 2023 budget, adopted in May 2022, included a 3% employee COLA (or equivalent wage adjustment), effective in late December 2022; thus, the FY 2023 budget absorbed roughly half the annual cost of this salary enhancement; the remaining portion of the annual cost is realized in FY 2024.
- **Offsetting savings from other salary changes** (\$44 thousand decrease)
 - Primarily due to lower salaries from retirements/attrition of higher-paid staff.
- **Offsetting savings from increased turnover assumption** – from 1.7% to 3.0% (\$44 thousand decrease)

The Department advised that staff recruitment and retention have been a consistent problem mainly due to salaries being lower than neighboring counties, and that the Administration is

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currently completing an enterprise-wide classification and compensation study, which should enhance the County's competitiveness and improve recruitment and retention outcomes. The Department also advised that the FY 2024 reclassification of four Planner positions (three Planner I positions and one Planner III) to Facility positions (three Facility Operator II positions and one Facility Lead) is due to the need for different skills and expertise to meet the required responsibilities (e.g., crucial input to process plans, permits, and other applications), which will allow staff to effectively interpret the County's regulations, make informed decisions, and effectively serve the needs of the public.

The Department should be prepared to discuss the timing of the County's study, steps it is taking to attract and retain personnel, and any impact on operations.

ADDITIONAL TOPICS FOR DISCUSSION:

3. Community Planning Initiatives

Community Planning Institute

On February 13, 2023, the County Executive and the Department announced the creation of the Community Planning Institute (CPI), an initiative to increase engagement with community members and stakeholders regarding planning, land use, and development (direct result of the County's enterprise-wide efficiency review released in January 2022). The Department advised that the first session of 20 to 25 participants would begin in May 2023 and cover topics including: planning 101, understanding zoning, and the County's development process. The Department also advised that the second session will take place in fall 2023 or spring 2024 due to the overwhelming number of applications received (over 100). The proposed FY 2024 budget includes funds for salary and benefits for the CPI Director (a Planner III position).

Commercial Revitalization Programs

The County offers businesses various incentive programs, which the Department oversees, including Commercial Revitalization Tax Credits, Commercial Revitalization Action Grants (see ARPA funding below for additional details), and the Building Improvement Loan Program (BILP). The BILP provides a \$30,000 interest-free loan for exterior improvements (some minor interior and equipment improvements may also be eligible) to businesses located within a Commercial

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Revitalization District. The Department advised that while there was no activity in FY 2023, efforts would be made to promote and market the availability of this loan product.

American Rescue Plan Act (ARPA) Projects

The Office of Budget and Finance anticipates \$2.9 million in already-appropriated ARPA funding to be used on the following projects in FY 2024:

- Commercial Revitalization Action Grant (CRAG) funds (\$1.0 million)
- Public Art (\$500 thousand) – to contract out technical assistance workshops for artists of color and grant funding for public projects
- Community Revitalization District Support (\$450 thousand) – technical assistance to small businesses and organizations
- Liberty Road Community Development Organization (CDO) (\$400 thousand) – retain consultant to create CDO and provide startup funds
- Small Business Support Initiatives (\$300 thousand) (in coordination with Economic and Workforce Development) – development of small business and entrepreneurship strategy between regional partners and small business development centers, includes seed funding and technical assistance
- Grant to Essex Chamber (\$250 thousand)

The Department should be prepared to discuss:

- ***How it plans to promote and market its programs, in conjunction with the Department of Economic and Workforce Development;***
- ***The various ARPA initiatives, and in particular, the Public Art initiative, and whether the County has considered soliciting donors in lieu of using government funding for the commissioned projects;***
- ***The extent to which ARPA projects are being utilized to cover consulting costs that would otherwise be paid out of the Department's operating budget; and***
- ***The planned use of the funds by the Essex Chamber, including the amount proposed to hire a program manager.***

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CAPITAL BUDGET HIGHLIGHTS:

4. The proposed FY 2024 capital budget includes \$21.4 million in funding for Department-administered Community Improvements projects, as follows:
- **Security Square Mall** - \$10.0 million (County PAYGO/State Aid split) (\$20.0 million previously authorized) – In FY 2023, the County agreed to match funds committed by the State to support the Mall’s redevelopment and reimagining. The Department advised that the proposed additional funds will be utilized to begin implementation of the first phase of the property, which will include infrastructure improvements to County property and other parts of the site.
 - **Pikesville Armory Foundation** - \$3.0 million (County PAYGO) (\$2.1 million previously authorized) – The Department advised that the Administration committed to partnering with the Pikesville Armory Foundation (PAF) in an effort to transform the unoccupied 14-acre site, and PAF has obtained substantial State and federal funding to renovate buildings, activate land for a community park, and to create recreational activities.
 - **Western Golf Association – BMW Classic** - \$2.0 million (County PAYGO) – “capital improvements to course related to safety and visitor benefit” at the BMW Championship PGA event to be held at Caves Valley Golf Club in 2025. The Department clarified that “all of the specific qualified expenses will be included in an MOU” and “the money will not be used for actual golf course improvements.” The Department further clarified that “the intent is to provide funding for infrastructure needs such as scaffolding, walkways, seating, utilities, etc. – none of which will provide a permanent benefit to the course.”
 - **West Baltimore County Redevelopment Authority** - \$500 thousand (County PAYGO/State Aid split) – The Department advised that the Administration included \$250,000 to match \$250,000 the State included in its capital budget to establish a Redevelopment Authority as authorized by the Maryland Legislature per SB 557 (2022).
 - **Natural History Society Museum*** - \$500 thousand (County PAYGO) (\$1.0 million previously authorized) - continued support of the museum’s major renovation
 - **National Aquarium**** - \$350 thousand (County PAYGO) – rainforest project capital work
 - **Jewish Community Center*** - \$250 thousand (County PAYGO) - pool renovations to make ADA compliant
 - **Randallstown Y Swim Center** - \$250 thousand (County PAYGO) – feasibility study for improvement
 - **Irvine Nature Center*** - \$250 thousand (County PAYGO) – expansion for event space and

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discovery room

- **Hippodrome**** - \$100 thousand (County PAYGO) (\$200 thousand previously authorized) – Performing Arts Center renovations
- **Glenn L. Martin Aviation Museum*** - \$100 thousand (County PAYGO) - support of additional exhibits and other facility improvements
- **Land Preservation Trust – Shawan Downs** - \$100 thousand (County PAYGO) – rebuild infrastructure and rehabilitate agricultural buildings for equestrian purposes
- **Contingency** - \$4.0 million (County General Obligation Bonds) – The Office of Budget and Finance advised of the potential for a “community grants program” for various Commercial Revitalization District neighborhoods and business districts for capital improvement type work, such as façade improvements, which the Department of Planning would administer.

*- additional operating grant funds proposed in the FY 2024 Tourism Program budget

** - additional operating grant funds proposed in the FY 2024 Organization Contributions Program budget

The Department and Administration should be prepared to discuss:

- ***The rationale for granting \$2 million to Western Golf Association to assist Caves Valley Golf Club in hosting the BMW Championship PGA event;***
- ***Whether other pools/swimming facilities were invited to apply/compete for grant funding for ADA or other improvements similar to those at the JCC or Randallstown YMCA;***
- ***Plans for engaging communities to take advantage of the new grants program (e.g., whether consulting services will be necessary; what type of organizations – such as businesses themselves, chambers of commerce, etc. – will be eligible for funding), criteria for awarding funds, and whether program guidelines will be reviewed by bond counsel to ensure that all projects are appropriate candidates for bond funding; and***
- ***How the County prioritizes its use of capital budget resources (e.g., tradeoffs between spending on these types of “Community Improvements” versus spending on Schools, Storm Drains, or Roads).***

American Rescue Plan Act (ARPA)

The Office of Budget and Finance anticipates \$6.8 million in ARPA funding to be used for various

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capital-related projects in FY 2024, to be administered by the Department as well as other agencies (e.g., Economic and Workforce Development, Public Works and Transportation, Recreation and Parks):

- Equity Districts (\$3.0 million) – creation of equity district designation
- Streetscaping (\$3.0 million) – improvements in disproportionately impacted areas
- Capacity Building (\$500 thousand) – retain consultant to determine capacity needs assessment within the ARPA map
- NeighborSpace (\$280 thousand) – Bear Creek Heritage Trail (\$250 thousand) and Powhattan Trail Repair (\$30 thousand)

The Department should be prepared to discuss:

- ***The process for designating an equity district, and the proposed use of the \$3 million; and***
- ***The purpose of the \$500 thousand in “capacity building” consulting funds.***

BALTIMORE COUNTY
FISCAL YEAR 2024 BUDGET ANALYSIS

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APPROPRIATION DETAIL

	FY 2022	FY 2023	FY 2024	NET CHANGE	
	<u>ACTUAL</u>	<u>APPROP</u>	<u>REQUEST</u>	<u>AMOUNT</u>	<u>%</u>
<u>General Fund</u>					
Community Development	\$ 2,159,971	\$ 2,548,905	\$ 2,822,386	\$ 273,481	10.7%
Admin. Hearing Office	465,481	646,663	666,617	19,954	3.1%
People's Counsel	<u>212,058</u>	<u>222,895</u>	<u>232,493</u>	<u>9,598</u>	<u>4.3%</u>
General Fund Total	<u>\$ 2,837,510</u>	<u>\$ 3,418,463</u>	<u>\$ 3,721,496</u>	<u>\$ 303,033</u>	<u>8.9%</u>
<u>Special Fund</u>					
Baltimore County COVID-19 Emergency Response Fund	2,737,062	-	-	-	NA
CLG Grant - Baltimore County Design Guidelines Update	<u>-</u>	<u>13,000</u>	<u>-</u>	<u>(13,000)</u>	<u>-100.0%</u>
Special Fund Total	<u>2,737,062</u> ^(A)	<u>13,000</u> ^(B)	<u>-</u>	<u>(13,000)</u>	<u>-100.0%</u>
Total All Funds	<u>\$ 5,574,572</u>	<u>\$ 3,431,463</u>	<u>\$ 3,721,496</u>	<u>\$ 290,033</u>	<u>8.5%</u>

^(A) Reflects audited expenditures \$2.7 million more than the amount reflected in the Executive's budget documents.

^(B) Adjusted for a supplemental appropriation totaling \$13 thousand not reflected in the Executive's budget documents.

BALTIMORE COUNTY
FISCAL YEAR 2024 BUDGET ANALYSIS

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PERSONNEL DETAIL

	FY 2022 ACTUAL		FY 2023 APPROP		FY 2024 REQUEST		NET CHANGE	
	FULL	PART	FULL	PART	FULL	PART	FULL	PART
<u>General Fund</u>								
Community Development	23	9	25	8	28	5	3	(3)
Admin. Hearing Office	4	0	5	0	5	0	0	0
People's Counsel	3	0	3	0	3	0	0	0
General Fund Total	30	9	33	8	36	5	3	(3)
<u>Special Fund Total</u>	0	0	0	0	0	0	0	0
Total All Funds	30	9	33	8	36	5	3	(3)