

Legislative Budget Analysis
Proposed FY 2025 Operating and Capital Budgets
Office of the County Auditor
Baltimore County, Maryland
HEARING DATE: May 2, 2024



Department of Planning

Director: Stephen Lafferty

Budget Office Analyst: Mike Walther

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Questions Sent to Department	Tuesday, April 16, 2024
Responses Received	Sunday, April 21, 2024
Analysis considers all agency responses.	

BALTIMORE COUNTY
FISCAL YEAR 2025 BUDGET ANALYSIS

DEPARTMENT OF PLANNING (012)

BUDGET SUMMARY

\$ in Thousands

PROPOSED CHANGE	GENERAL	SPECIAL	TOTAL	% Change Prior Year
FY 2024 - 2025 Change	\$ 247.5	\$ -	\$ 247.5	6.7%

BUDGET TRENDS

FY 2023 Actual	\$ 2,971.6	\$ 13.0	\$ 2,984.6	
FY 2024 Approp.	3,721.5	-	3,721.5	24.7%
FY 2025 Request	3,969.0	-	3,969.0	6.7%

PERSONNEL

PROPOSED CHANGE	GENERAL		SPECIAL	
	FULL-TIME	PART-TIME	FULL-TIME	PART-TIME
FY 2024 - 2025 Change	2	(2)	0	0

BUDGET TRENDS

FY 2023 Actual	33	8	0	0
FY 2024 Approp.	36	5	0	0
FY 2025 Request	38	3	0	0

VACANCY DATA

Positions Vacant as of 3/31/2024*	2	0	0	0
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*Provided by the Office of Budget and Finance.

For further information contact: Office of the County Auditor

Phone: (410) 887-3193

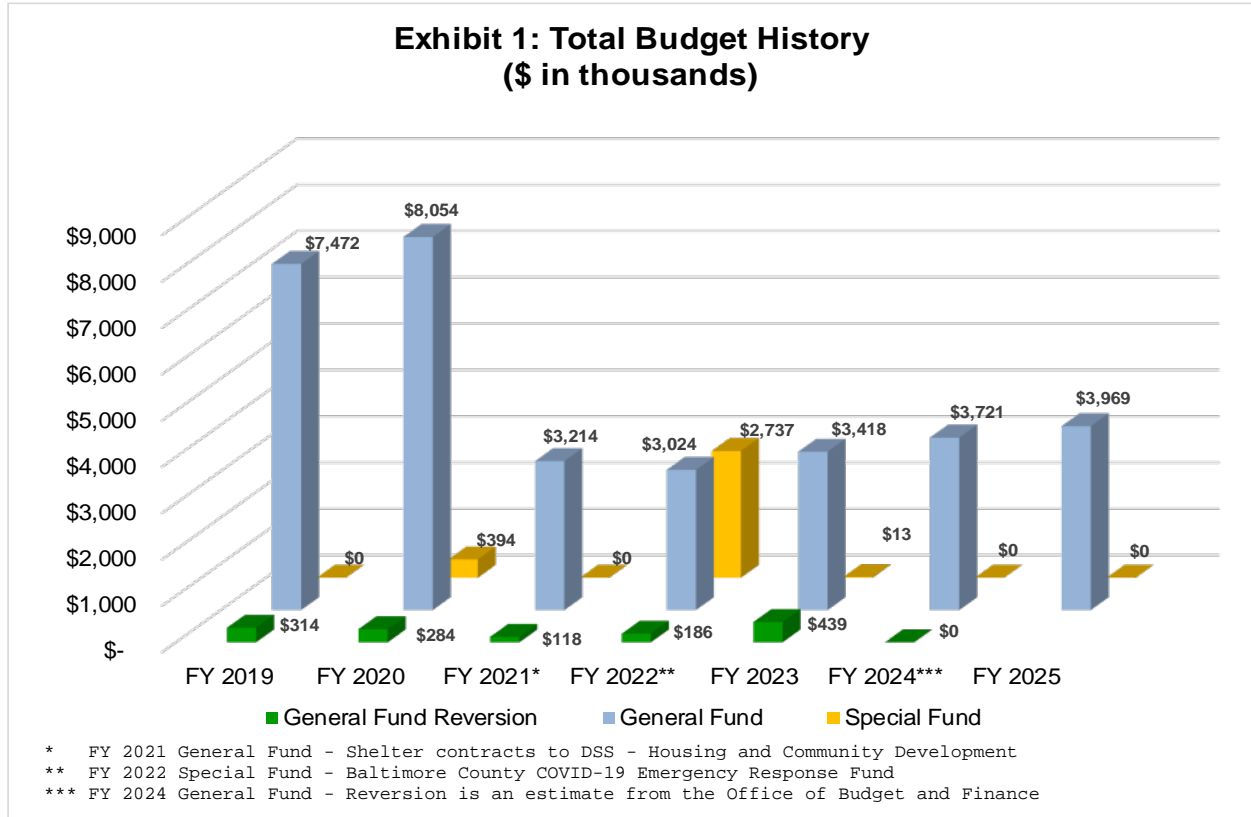
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BUDGET SUMMARY:

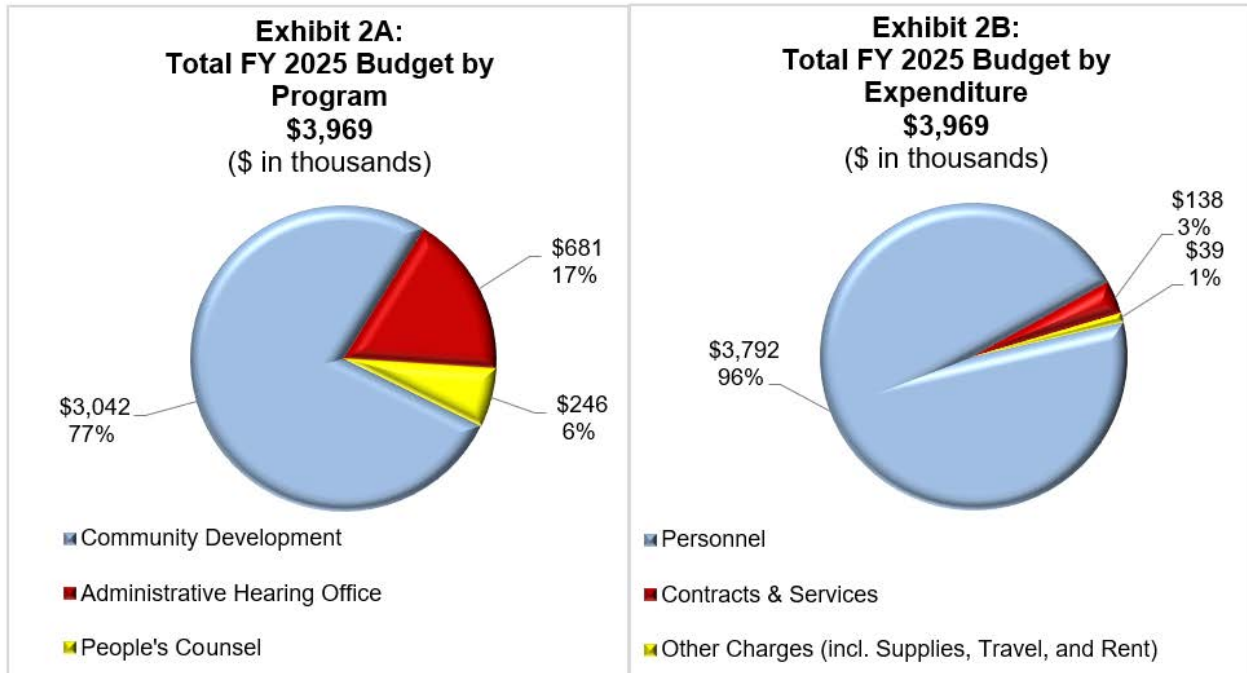
The proposed FY 2025 budget for the Department of Planning totals \$4.0 million, an increase of \$248 thousand, or 6.7%, over the FY 2024 budget. See details beginning on page 4.

	General Fund (\$ in thousands)	Special Fund	Total
2025 Request	\$ 3,969	\$ -	\$ 3,969
2024 Appropriation	3,721	-	3,721
\$ Increase	\$ 248	\$ -	\$ 248
% Increase	6.7%	-	6.7%

See Exhibit 1 for a history of the Department’s budget and Exhibits 2A and 2B show the distribution of expenses across the Department’s programs and expenditures, respectively, as proposed for FY 2025.



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BUDGET FLEXIBILITY:

As shown in Exhibit 2, the Department’s budget consists mainly of personnel services, which account for 96% of all costs. Despite maintaining low vacancy levels, the Department has carried a turnover savings budget. Accordingly, the Department’s operating budget flexibility is very limited. At the same time, the Department administers a significant, non-lapsing Capital Budget account within the Community Improvements classification; specifically, as of May 1, 2024, the (non-lapsing) authorization in the Countywide Improvements project not yet allocated to any specific project totals \$17.85 million. The Department, or the Office of Budget and Finance, should be able to explain the County’s plans for this previously authorized funding, and the reason additional appropriations of FY 2025 General Fund PAYGO contributions to this project are needed. Additionally, the Department should explain the need for \$961 thousand in new earmarks (see #4, below), including:

- \$925 thousand in new discretionary grants to various organizations for specific facility improvements; and

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- \$36 thousand over the anticipated project cost of \$114 thousand to restore the horse barn and fencing at Shawan Downs (\$50 thousand included in the proposed FY 2025 Capital Budget and \$100 thousand previously authorized).

Finally, the Department should be able to speak to the Administration's forthcoming plans to process the \$2 million grant application by Western Golf Association for enhancements to Caves Valley Golf Course as part of preparations for "the BMW Championship with tourism draw and scholarship fundraiser" – to be followed by submittal to the County's Grants Review Committee.

OPERATING BUDGET HIGHLIGHTS:

General Fund

Of the \$248 thousand General Fund increase, \$388 thousand is attributable to personnel expenses offset by a \$140 thousand decrease in operating expenses, primarily the result of funding included in the FY 2024 budget related to Master Plan 2030 and CZMP, as detailed in #1 and #2, respectively.

1. Personnel Expenses total \$3.8 million (95.5% of the budget), an increase of \$388 thousand, or 11.4%, primarily for the following.

- **\$230 thousand – Planning Board Member Salaries (per Bill No. 37-23)**
 - \$210 thousand for Planning Board members (\$15 thousand per member)
 - \$20 thousand for the Planning Board Chair
- **\$70 thousand – Increments and Longevities**
- **\$54 thousand - 3% COLA effective January 1, 2025**
- **\$34 thousand - FY 2025 Effect of FY 2024 COLA**
 - The FY 2024 budget, adopted in May 2023, included a 2% employee COLA, effective in January 2024; thus, the FY 2024 budget absorbed a portion of the annual cost of this salary enhancement; the remaining portion of the annual cost is realized in FY 2025.

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The Department should be prepared to discuss the impact of salary enhancements on its ability to attract and retain staff.

2. **Operating Expenses total \$177 thousand** (4.5% of the budget), a decrease of approximately \$140 thousand, or 44.2%, primarily a result of the following:
- **(\$111 thousand) – Professional Services** – FY 2024 consulting services to implement Master Plan 2030.
 - **(\$18 Thousand) – Postage and Shipping** – FY 2024 CZMP costs.
 - **(\$12 Thousand) – Other** – primarily for FY 2024 CZMP costs.

The Department should be prepared to discuss how it will support the Council as the CZMP is approved in September 2024.

ADDITIONAL TOPICS FOR DISCUSSION

3. Community Planning Institute

On February 13, 2023, the County Executive and the Department announced the creation of the Community Planning Institute, 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 following sessions have been held/are planned, including the number of applications and participants (i.e., cohorts).

Session	Number of Applications	Cohort Size	Note
Spring 2023	116	22	27 were initially selected
Fall 2023	75	27	
Spring 2024	63	25	TBD on final cohort size
Fall 2024	TBD	TBD	

The Department advised that graduates of the program have continued to be involved in various planning-specific initiatives. The Department also advised that in the future, there are plans to increase targeted recruitment efforts to ensure there are more applicants and

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awareness of the program. The proposed FY 2025 budget includes \$3,300 for office supplies, travel, printing services, internal conference meals, and professional services.

The Department should be prepared to discuss its selection of applications, and its plans to increase the number of applicants and program awareness.

See Appendices A and B for program-level expenditure/appropriation and authorized staffing levels, respectively, for FY 2023 (actual), FY 2024 (appropriated), and FY 2025 (proposed).

CAPITAL BUDGET HIGHLIGHTS:

4. Capital Budget

The proposed FY 2025 Capital Budget includes \$3.0 million in funding (\$1.8 million County PAYGO, \$430 thousand State aid, and \$772 thousand County General Obligation Bonds) for the following new/continued projects:

- **\$930 thousand (\$500 thousand County PAYGO/\$430 thousand State aid) – Liberty Road Facades and Improvements** – to make improvements to commercial properties on the Liberty Road corridor. The Department advised that no State funds have been received.
- **\$772 thousand (County General Obligation Bonds) – Land Preservation Trust – County Rural Legacy** - to preserve an additional 100 acres +/- within the County's Rural Legacy Areas, which will support the County's land preservation goals. The Department advised that County Land Preservation staff and Rural Legacy Sponsors are continuously cultivating prospective program participants and should be easily able to identify eligible properties to utilize these funds.
- **\$400 thousand (County PAYGO) – Southwest Baltimore County Community Improvements** – to make physical improvements on public and commercial properties to help implement the Sustainable Community Plan. The Department advised that specific projects are being identified.

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- **\$250 thousand (County PAYGO) (\$500 thousand previously authorized, including \$250 thousand in State aid) - Westside Redevelopment Authority** – The Department advised that no funds have been expended.
- **\$150 thousand (County PAYGO) – Hatzalah of Baltimore** (volunteer ambulance company serving Northwest Baltimore; the Department advised that the service area straddles the City/County line) - for a garage for an ambulance.
- **\$150 thousand (County PAYGO) – Maryland Zoo (City)** - toward construction of the new Red Panda Habitat.
- **\$150 thousand (County PAYGO) – Glen L. Martin Maryland Aviation Museum** - for renovations to the museum.
- **\$95 thousand (County PAYGO) (\$300 thousand previously authorized) – Hippodrome (City)** - for a signage and lighting project.
- **\$75 thousand (County PAYGO) – Catonsville Emergency Assistance** - to expand its operational space in order to serve additional clients.
- **\$50 thousand (County PAYGO) (\$100 thousand previously authorized) - Land Preservation Trust – Shawan Downs** – to restore the horse barn and fencing; work will be completed by June 2026.

The Administration should be prepared to discuss 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).

5. American Rescue Plan Act (ARPA) Projects

The Department anticipates \$3.8 million in ARPA funding to be used for the following projects in FY 2025:

- **\$3.0 million – Streetscape projects in Essex and Woodlawn** - to enhance pedestrian safety and walkability and support targeted commercial districts.
- **\$299 thousand – Maryland Association of Nonprofits Capacity - Building Initiative** – to support monthly workshops, cohort trainings, and one-on-one technical assistance tailored to specific needs. See \$201 thousand grant below.

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- **\$242 thousand – Greater Randallstown Community Development Organization** – for startup operational costs.
- **\$201 thousand – Capacity - Building Initiative** - To be awarded to organizations identified by Maryland Association of Nonprofits in order to boost organizations' effectiveness.
- **\$50 thousand – Commercial Revitalization Action Grant (CRAG)** funds.

The Office of Budget and Finance also anticipates \$3.0 million in ARPA funding to be used for the following projects in FY 2026:

- **\$2.4 million - Equity Districts** – Dundalk Town Center and Woodlawn Village
- **\$600 thousand – Equity Districts** – Milford Mill

The Department should be prepared to discuss the potential of any ARPA funded projects moving back to the General Fund Operating Budget in the coming fiscal years and ensuring that these funds are obligated/expended by the required deadlines.

6. Prior Capital Projects

The Department provided the following update on projects (valued at \$250 thousand and above) that were previously funded and are ongoing:

- **Security Square Mall (\$30.0 million)** - A consultant has been retained to assist in creating a redevelopment plan; based on the recommendations, property improvements and development is anticipated.
- **Pikesville Armory (\$5.1 million)** - \$5.0 million has been disbursed for property development.
- **Western Golf Association (\$2.0 million)** – for enhancements to Caves Valley Golf Course as part of preparations for the BMW Championship with tourism draw and scholarship fundraiser; the Department advised that it is processing the application for submittal to the Grants Review Committee; and work will be completed by June 2026.
- **Maryland State Fair & Agricultural Society (\$1.8 million)** – project to build new agricultural building; \$450 thousand has been disbursed for design.

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- **Natural History Society of Maryland (\$1.0 million)** – design work for multiphase exterior and interior renovations to museum building in Overlea and construction on building envelope; \$500,000 has been disbursed.
- **Façade Improvement Grant Program (\$500 thousand)** – grants to business organizations and nonprofits to support small business exterior building improvements in targeted commercial districts, allocated as follows:
 - \$60,000 – Essex CDC
 - \$60,000 – Greater Catonsville Chamber of Commerce
 - \$60,000 – Greater Arbutus Business Association
 - \$60,000 – Reisterstown Improvement Association
 - \$60,000 – Dundalk Renaissance
 - \$60,000 – Towson Chamber of Commerce
 - \$50,000 – Overlea Community Association
 - \$50,000 – Security Woodlawn Business Association
 - \$40,000 – Idlewyde Community Association
- **Northeast Towson Improvement Association, Inc. (\$250 thousand)** – for renovations to Pride of Towson Elks Lodge– project scope was expanded with State funds; new scope approved by State MHT; construction to restart June 2024; \$80,846 has been disbursed.
- **Irvine Nature Center (\$250 thousand)** – for design and construction of new exhibit space to expand nature education; grant agreement in signature process, then funds will be disbursed; project likely to continue through FY 2025.

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APPROPRIATION DETAIL						
		FY 2023 ACTUAL	FY 2024 APPROP	FY 2025 REQUEST	NET CHANGE	
					AMOUNT	%
<u>General Fund</u>						
A0121201	Community Development	\$ 2,271,379	\$ 2,822,386	\$ 3,042,262	\$ 219,876	7.8%
A0121203	Administrative Hearing Office	478,224	666,617	680,933	14,316	2.1%
A0121206	People's Counsel	221,960	232,493	245,787	13,294	5.7%
	General Fund Total	<u>\$ 2,971,563</u>	<u>\$ 3,721,496</u>	<u>\$ 3,968,982</u>	<u>\$ 247,486</u>	<u>6.7%</u>
<u>Special Fund</u>						
GR-2008	Fed CLG Grant - Baltimore County Design Guidelines Update	13,000	-	-	-	NA
	Special Fund Total	<u>13,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>NA</u>
	Total All Funds	<u><u>\$ 2,984,563</u></u>	<u><u>\$ 3,721,496</u></u>	<u><u>\$ 3,968,982</u></u>	<u><u>\$ 247,486</u></u>	<u><u>6.7%</u></u>

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PERSONNEL DETAIL

		FY 2023 ACTUAL		FY 2024 APPROP		FY 2025 REQUEST		NET CHANGE	
		FULL	PART	FULL	PART	FULL	PART	FULL	PART
<u>General Fund</u>									
A0121201	Community Development	25	8	28	5	30	3	2	(2)
A0121203	Administrative Hearing Office	5	0	5	0	5	0	0	0
A0121206	People's Counsel	<u>3</u>	<u>0</u>	<u>3</u>	<u>0</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>
	General Fund Total	<u>33</u>	<u>8</u>	<u>36</u>	<u>5</u>	<u>38</u>	<u>3</u>	<u>2</u>	<u>(2)</u>
<u>Special Fund</u>									
GR-2008	Fed CLG Grant - Baltimore County Design Guidelines Update	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	Special Fund Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	Total All Funds	<u><u>33</u></u>	<u><u>8</u></u>	<u><u>36</u></u>	<u><u>5</u></u>	<u><u>38</u></u>	<u><u>3</u></u>	<u><u>2</u></u>	<u><u>(2)</u></u>