



## STEPHANIE RAWLINGS-BLAKE

Baltimore City Council President

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***Better Schools. Safer Streets. Stronger Neighborhoods.***

**FOR IMMEDIATE RELEASE:**

*Tuesday, December 1, 2009*

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### **CITY COUNCIL BUDGET OUTLOOK HEARING TONIGHT**

***Rawlings-Blake, Young, Cole warn City faces 'fiscal crisis'; City 'staring down' \$127 million budget deficit and \$64 million in pension liabilities; Dixon Administration urges consideration of property tax increase***

BALTIMORE—Today, the City Council's Budget and Appropriation Committee will conduct a hearing on the State of Baltimore City's Budget. The hearing comes at the request of City Council President Stephanie Rawlings-Blake who has expressed concerns about Baltimore's looming fiscal challenges.

"The City faces enormous fiscal challenges in the months ahead," Rawlings-Blake said. "It is important that we start to address the issues now. We must first acknowledge the full extent of the fiscal crisis so that we can develop workable solutions in the coming weeks and months."

According to a Finance Department report, the City is projecting a \$127 million budget deficit and an additional \$64 million gap as a result of Fire and Police Pension liabilities in FY2011. Matters could get even worse if additional cuts in state aid are implemented.

"There is no doubt city government will have to make difficult and painful choices in the months ahead," said Bernard C. "Jack" Young (District-12) who chairs the Budget and Appropriations Committee. "We need to brace ourselves and be proactive to get ahead of the problem."

In April of 2009, Rawlings-Blake recruited the Greater Baltimore Committee (GBC) to form a pension reform task force to make comprehensive recommendations to address the City's looming fire and police pension liabilities. The GBC is set to release its recommendations in the coming weeks. The independent GBC panel is comprised of leading financial experts, local business leaders, taxpayer representatives and former elected officials.

"Thankfully, the City Council recognized the need for comprehensive pension reform and brought in some of the best and brightest minds in the region to assist city government in addressing the coming crisis," said Councilman William H. Cole (District-12) who serves as chair of the Taxation, Finance and Economic Development Committee and joined with Rawlings-Blake to recruit the GBC taskforce. "Unfortunately, even if we manage to tackle the pension issue, we are still staring down an absolutely awful budget deficit of \$127 million in FY2011. We have less than six months to find the right balance of solutions for the monumental task ahead."

According to a Finance Department presentation to be presented at tonight's meeting, the Dixon administration is urging consideration of a property tax increase to fill the FY2011 shortfall. Additionally, consideration of significant service reductions will be required to reduce spending, according to the Finance report.

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**WHO:** Baltimore City Council

**WHAT:** The City Council's Budget and Appropriation Committee will conduct a hearing on the State of Baltimore City's Budget.

**WHERE:** Du Burns Council Chambers, 4th Floor, City Hall.

**WHEN:** Today, Tuesday, December 1, 2009 at 4:00pm

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