

# **Estimated Fiscal Impact of Expanding the County Council**

## **Prepared for the Baltimore County Council Structure Workgroup**

### **Introduction**

The Baltimore County Council passed Resolution 32-23, creating the Council Structure Review Workgroup, a group charged with determining whether the Baltimore County Council should add additional districts. In addition to calling for the workgroup to research demographic data and the structure of Councils in peer jurisdictions, the resolution asked the workgroup to weigh the fiscal impact of expanding the County Council.

Adding new Councilmembers and districts would have a significant fiscal impact. Office space, potential additional staff needs, and other factors would result in significant increases in expenditures. Operating budget impacts include the personnel cost of new Councilmembers, new Council staff, supplies, and equipment. New capital expenditures include the need to create additional office space in the Historic Courthouse and establishing and furnishing new district offices.

This document reflects preliminary feedback from the Office of Budget and Finance on the potential costs of expansion. Please note that these figures represent estimates and are not finalized costs.

### **Operating Budget Cost Projections**

Currently, the Baltimore County Council's FY24 operating budget is \$3,490,336.00. This includes seven Councilmembers, their staff, and the central office staff, as well as supplies and equipment costs. Councilmember salaries are \$69,000.00. The Chairman of the Council earns \$77,000.00. The Council office includes 20 full time equivalent staff members. Benefits, such as healthcare and retirement, are included in other parts of the budget.

When determining the fiscal impact of creating a new position, the Office of Budget and Finance adds an estimated fringe cost of 50 percent of an employee's salary to calculate the cost of benefits, which include retirement and healthcare. Additionally, there is \$3,600 in one-time startup costs budgeted for supplies and equipment, including a laptop, as well as \$480 a month in monthly costs for cars for each Councilmember. Cars include a \$33,000 one-time-cost for each Councilmember.

Table 1 includes the number of FTEs and salary cost listed in the County Council's FY24 budget, as well as 50 percent fringe and equipment costs. The final column includes the total cost per position category. Altogether, with salaries, benefits, and other costs, the Council office has a personnel cost of roughly \$4.7 million.

From this number, it can be determined that the Council's total personnel cost per County Councilmember is around \$675,041. Using this number, estimates for Council expansions can be calculated. However, this model does not account for a change in structure – such as adding an

at-large Council President, nor does it account for Cost of Living Adjustments, salary increases, or other inflationary factors. Thus, calculations made from this model should be considered estimates.

Table 1

	FTE	FY24 Cost	0.5 % fringe	Equipment/Supplies \$3,600 each*	Car annual cost*	Total Cost per Position
Chairman	1	\$77,000	\$38,500	\$3,600	\$5,760	\$124,860
Councilmember	6	\$414,000	\$207,000	\$25,200	\$34,560	\$680,760
Legislative Aides	14	\$1,925,000	\$962,500	\$50,400		\$2,937,900
Legislative Assistant	3	\$192,183	\$96,092	\$10,800		\$299,074
Council Secretary	1	\$236,447	\$118,224	\$3,600		\$358,270
Council Administrator	1	\$114,578	\$57,289	\$3,600		\$175,467
Assistant Legislative Counsel	1	\$96,907	\$48,454	\$3,600		\$148,960
				*One time start up cost	*Based on \$480/month cost for gas and maintenance. Does not include \$33K one-time startup cost	\$4,725,287

Table 2 estimates the cost of expanding the County Council to 9 members and to 11 members, representing two numbers that have been discussed publicly. These members would require new cars, so there would be additional one-time-costs of \$33,000 for each member. For every two members added to the Council, the annual operating cost increases by roughly \$1.4 million.

Table 2

Number of Councilmembers	Estimated Personnel Cost per Councilmember	New Cars	Totals
9	\$675,041	\$66,000	\$6,141,369
11	\$675,041	\$132,000	\$7,557,451

**General Fund Impact**

The County Council’s budget is included in the County’s \$2.7 billion General Fund, which grows annually. In a five-year period from Fiscal Year 2020 to present, the General Fund grew from \$2.1 billion to \$2.7 billion. Table 3 demonstrates the County’s General Fund expenditures from FY2020 to FY2024.

Table 3

	FY2020	FY2021	FY2022	FY2023	FY2024
General Fund	\$2,153,680,849	\$2,189,835,582	\$2,257,435,180	\$2,496,115,219	\$2,710,008,515

The Council’s current share of the \$2.7 billion General Fund is \$4.9 million, or roughly 0.18 percent of the General Fund. Using current budget figures, and without projecting future revenues, a 9-member Council would have a 0.23 percent share, and an 11-member Council would have a 0.28 percent share. These numbers are included to provide context for how Council expansion would fit in the overall budget picture.

### Capital Budget Cost Projections

Expanding the County Council would result in even more significant capital budget costs. The County Council occupies much of the second floor of Baltimore County’s Historic Courthouse in Towson, where the Councilmembers and staff maintain offices and hold meetings in the Council Chambers. Currently, there are designated offices for seven members and their staff, as well as offices for central staff for the Council, such as the Council Secretary. An expansion of the Council would likely necessitate additional office space.

A renovation to modernize the office and create more office space would require a multiyear process with millions in capital budget investments. Table 4 provides a rough cost estimate to renovate the Council’s office, totaling \$12 million over four years. This estimate includes the square footage of the Council Chambers and the Council Office Space, two areas most directly impacted by the number of the Councilmembers. The projection uses a \$700 per square foot construction rate – which would include abatement costs, information technology improvements, and furniture costs – in addition to design, contingency, and annual escalation costs.

It is worth acknowledgement that the Council office space has not been substantively renovated in decades and may warrant a renovation, even without additional members.

Table 4

Areas	SF	Cost/SF	Total
2nd Floor West Council	11,213	\$700.00	\$7,849,100
Council Chamber	3,005		
Offices	8,208		
Total SF	11,213	Subtotal	\$7,849,100
Contingency		10%	\$784,910
Design		15%	\$1,177,365
Sub-Total			\$9,811,375
Annual Escalation	6%	\$588,682.50	
Years	4		\$2,354,730
<b>Total Estimate</b>			<b>\$12,166,105</b>

### District Offices

In addition to the Council’s office space in the Historic Courthouse in Towson, Councilmembers may have a district office. District offices may be located in a County building or through a lease in privately-owned office space. If the Council is expanded, the Administration and the Council will need to assess currently-owned properties and determine how to allocate district offices for the Councilmembers.

### Staff Note

The estimates you see in this report are just that – estimates. They are based on reasonable assumptions and recent knowledge of the costs for design, materials, and labor. These estimates are to be used for informational and demonstrative purposes only and are not binding upon future decisions of the Baltimore County Council or Baltimore County government. Historical budget figures, including personnel costs are publicly available in the applicable fiscal year’s budget documents.