


FROM	NAME & TITLE	Linzy Jackson, Special Assistant to the City Administrator	CITY of BALTIMORE MEMO	
	AGENCY NAME & ADDRESS	100 N. Holiday Street (2 nd Floor) Baltimore, Md 21202		
	SUBJECT	FY'23 Annual Financial Plan of the South Baltimore Gateway Partnership (SBGP)		

TO Honorable President and Members of the Board of Estimates DATE: April 28, 2022

ACTION REQUESTED OF THE BOARD OF ESTIMATES:

Review and approve the FY'23 Annual Financial Plan (or "Budget") of the South Baltimore Gateway Community Impact District Management Authority, aka South Baltimore Gateway Partnership ("SBGP").

(For questions, contact Scott Davis at 443-602-4217 or scottc.davis@baltimorecity.gov)

AMOUNT AND SOURCE OF FUNDS:

No expenditure of funds is requested.

BACKGROUND/EXPLANATION:

Following a study by the Mayor's Office and Baltimore Casino Local Development Council ("LDC"), the Maryland General Assembly and Mayor and City Council created the South Baltimore Gateway Community Impact District (the "District") and Management Authority (the "Authority") in 2016, later branded as the South Baltimore Gateway Partnership. SBGP's enabling legislation (including Council Bill 16-0694), authorized SBGP to receive 50% of Casino Local Impact Grant ("LIG") funds starting in FY18, to provide enhanced services and foster community development in the District, consistent with the 2012 state law establishing LIG funds. The Mayor's Office convened the Authority's Board of Directors in 2016 and provided support for launching SBGP, now completing its 6th year of operations. Activities include grants to community-based organizations and strategic initiatives described in quarterly reports to the BOE.

City Council Ordinance 16-0694 requires the BOE to review the SBGP's Bylaws, Strategic Plan and Annual Financial Plan. SBGP's Board of Directors adopted the FY'23 Budget on April 20, 2022, after its presentation at a public meeting on April 13, 2022. The FY'23 Budget is hereby submitted for approval.

The attached memo transmitting the Budget notes that FY'22 proved to be an "exciting and successful year in spite of the COVID-19 pandemic." The FY'23 Budget enables SBGP "to manage its growing list of projects while remaining a lean organization with limited overhead." SBGP will spend approximately 20% of funding on Community Grants, using a "transparent and professional selection process," and 30% on Enhanced Services to "fund capital, maintenance, and programming in parks and public spaces." The remaining 50% will support "Transformational Projects," selected "based upon a rigorous ongoing process of evaluating opportunities to create meaningful and measurable change in the District."

MBE/WBE PARTICIPATION:

Under its enabling ordinance, SBGP is subject to the City's MBE/WBE policy.

BALTIMORE CITY RESIDENTS FIRST (BCRF):

Under its enabling ordinance, SBGP is not subject to the BCRF law. However, every effort is made to recruit new hires who are Baltimore City residents and, if possible, residents of South Baltimore.

APPROVED BY THE BOARD OF ESTIMATES:

M. Amato

By Celeste Amato at 2:46:44 PM, 6/15/2022

Clerk

Date

MEMORANDUM

To: Michael Huber, Chief of Staff; Ethan Cohen, Senior Project Coordinator; and Scott Davis, Director of Neighborhoods; Office of the Mayor, City of Baltimore

For Submission to the City of Baltimore Board of Estimates

From: Brad Rogers, Executive Director, South Baltimore Gateway Partnership (SBGP)

Date: April 29, 2022

Re: South Baltimore Gateway Partnership Proposed Fiscal Year 2023 Financial Plan

On behalf of the South Baltimore Gateway Partnership (SBGP), I am providing SBGP's proposed FY23 Financial Plan (Budget). Please submit it to the Board of Estimates for approval on behalf of SBGP.

The FY23 Financial Plan was presented in a public hearing and members of the general public were invited to provide feedback at SBGP's annual Spring Public Meeting on April 13, 2022. The FY23 Financial Plan was also provided to the Local Development Council for comment and adopted by SBGP's Board of Directors on April 20, 2022.

This has been an exciting and successful year in spite of the COVID-19 pandemic. SBGP's accomplishments so far include:

- Investing **\$1.1 million into parks and public spaces**, with an additional **\$6.0 million of projects in development** – including a major trash cleanup and sanitation initiative, engaging a design-build team to reopen the Carroll Park Recreation Center, and major enhancements to Solo Gibbs Park and Florence Cummins Park – organized by a detailed multi-year Implementation Plan SBGP has built with BCRP and other partners over the course of the past four years.
- Awarding **\$1.3 million in grants** to nonprofits and community organizations, while providing the **capacity building and technical assistance** they need.
- Committing an additional **\$2 million to “Reimagine Middle Branch”** and transform it as Baltimore's next great waterfront with 11 miles of parks and trails. The Reimagine Middle Branch plan is on track for completion this summer, and implementation efforts are underway.
- Celebrating the completion of the BGE Field presented by Kelly Benefits in Reedbird Park with a ribbon-cutting ceremony. This 83,000 square foot multipurpose turf field with professional lighting is the first completed element of the \$23 million **Middle Branch Fitness and Wellness Center in Cherry Hill**, for

which SBGP provided over **\$2.2 million in gap funding** so this long-awaited project could finally happen. The opening is on track for this summer.

- **Updating the strategic plan**, which was originally adopted by the Board in February 2017. Since the original strategic plan was well-conceived and has guided successful programs and impactful work over the initial years of the organization, SBGP renewed its commitment to its existing strategic priorities and the Strategic Planning Committee updated and finetuned the Strategic Plan, including adding new sections on responding compassionately to emergent problems and addressing public safety and education. The SBGP Board adopted the updated strategic plan at its January 2022 meeting and SBGP presented the updated Strategic Plan at its annual Spring Public Meeting on April 13, 2022 along with the budget.

The FY 23 Financial Plan allows SBGP to continue to manage its growing list of projects while remaining a lean organization with limited overhead.

SBGP will continue to spend approximately 20% of program funds on Community Grants, which will be selected using our transparent and professional selection process. Approximately 30% of program funds will go to Enhanced Services, allocated through the extremely detailed Implementation Plan SBGP has built with BCRP and other partners over the course of the past four years and will fund capital, maintenance, and programming in parks and public spaces. The remaining 50% of program funds will go to Transformational Projects, which will be selected by the SBGP Board based upon a rigorous ongoing process of evaluating opportunities to create meaningful and measurable change in the District.

As always, SBGP will continue to direct funds wherever feasible to MBE/WBE contractors, in compliance with the law, as well as to support businesses within the District.

If you or any member of the Board has any questions, please do not hesitate to contact me directly.

Sincerely,



Executive Director

SOUTH BALTIMORE GATEWAY COMMUNITY IMPACT DISTRICT MANAGEMENT AUTHORITY
PROPOSED FINANCIAL PLAN (BUDGET)
For the Year Ending June 30, 2023

	Orig. Approved Budget FY20	% of Budget	Orig. Approved Budget FY21	% of Budget	Orig. Approved Budget FY22	% of Budget	Proposed Budget FY23	% of Budget	Comments
REVENUES									
Intergovernmental Revenue (Local Impact Funding)	\$ 6,250,000		\$ 5,000,000		\$ 5,750,000		\$ 8,000,000		The MD Racing Commission suggests budgeting revenues based on the last 12 months of actual revenues, which were approx. \$8.2 million for March 2021 through February 2022. The revised FY22 budget includes projected revenues of approximately \$8.6 million. Interest earned on SBGP deposits. Assumes SBGP earns approx. \$250/month. SBGP has been earning approx. \$275/month in FY22 YTD.
Other Income	60,000		25,000		5,000		3,000		
Total Revenues	6,310,000		5,025,000		5,755,000		8,003,000		
PROGRAM EXPENSES									
Community Grants	941,470		799,319		894,325		1,231,370		20% of Direct Program Expenses
Salaries and Benefits	230,011		167,801		138,805		238,860		Salaries and benefits for Community Grants employees
Other Program Expenses	24,205		17,676		35,000		46,885		Capacity Building program, Submittable software, Program Committee and other meetings, other
Enhanced Services	1,412,205		1,198,979		1,341,488		1,847,054		30% of Direct Program Expenses
Salaries and Benefits	210,766		160,939		146,770		238,860		Salaries and benefits for Enhanced Services employees
Other Program Expenses	11,200		5,000		5,000		25,000		Events, meetings, collateral, other
Transformational Projects	2,353,675		1,998,298		2,235,813		3,078,424		50% of Direct Program Expenses
Salaries and Benefits	85,251		66,022		67,473		153,476		Salaries and benefits for Transformational Projects employees
Other Program Expenses	100,000		80,000		80,000		120,000		Transformational Projects consulting, Strategic Planning Committee and other meetings, other
Discretionary Insurance Fund	-		-		-		15,000		Discretionary insurance fund for small grantees, other limited-capacity partners to purchase private insurance in accordance with SBGP grant agreement/contracting requirements
Total Program Expenses	5,368,783	89.33%	4,494,034	89.43%	4,944,673	89.01%	6,994,930	90.81%	
Net Revenue after Program Expenses	941,217		530,966		810,327		1,008,070		
OVERHEAD EXPENSES									
Accounting	50,000		50,000		50,000		60,000		Third-party accounting services
Audit Fee	11,275		11,500		9,500		9,700		FY22 financial audit
Bank Fees	3,000		5,500		6,500		5,500		
Business Meals and Entertainment	4,500		5,750		5,000		6,000		Board of Directors and other meetings
Equipment	5,000		3,800		2,000		2,000		Office furniture and equipment
Insurance	25,000		27,500		35,000		60,000		Annual premiums for commercial insurance policies, additional insurance policy to cover small grantees
Legal Fees	15,000		15,000		15,000		15,000		
Marketing and Communications	30,000		5,000		5,000		5,000		MailChimp, HootSuite, boosted Facebook posts, mailings, Spanish translation, job advertising, other
Miscellaneous	1,000		7,500		5,000		5,000		Postage and mailing, Labor Law posters, Baltimore Sun and Baltimore Business Journal subscriptions, other
Printing and Copying	1,500		1,000		1,000		1,000		Business cards, other outsourced printing and copying
Professional Services	100,800		-		29,000		45,000		Website redevelopment and program evaluation
Rent and Utilities	30,000		29,400		30,508		30,508		12-month (continued) lease on office in coworking space
Salaries and Staff Benefits	309,342		303,424		321,657		355,016		Salaries and benefits for operational employees
Staff Training and Development	12,000		-		10,500		13,500		
Supplies	8,000		7,500		5,000		5,000		Office supplies, including toner
Technology and Support	-		47,792		71,962		78,647		Software licenses, IT managed services and helpdesk support, professional services for IT special projects, web development/maintenance and hosting, other
Travel and Meetings	5,000		5,500		4,000		5,750		
Telecommunication	4,800		4,800		3,700		5,450		Stipends for employees' use of personal phones
Contingency Funds	25,000		-		-		-		
Total Overhead Expenses	641,217	10.67%	530,966	10.57%	610,327	10.99%	708,070	9.19%	
Total Expenses	6,010,000		5,025,000		5,555,000		7,703,000		
Change in Net Assets	300,000		-		200,000		300,000		SBGP has agreed to reserve approximately 5 percent of revenues, or \$300,000, each year as long as the organization has the funds to do so while maintaining a healthy financial position. SBGP has established a target reserve of approx. \$1.5 million, which would cover overhead and program expenses for three months, or overhead and 50 percent of program expenses for six months. SBGP will have \$1.2 million in emergency reserves at the end of FY 2022.