

CITY OF BALTIMORE

STEPHANIE RAWLINGS-BLAKE, Mayor



DEPARTMENT OF FINANCE

HENRY J. RAYMOND, Director
454 City Hall
Baltimore, Maryland 21202
410-396-4940

September 3, 2015

Councilman Eric T. Costello
100 N. Holliday Street
City Hall, Room 527
Baltimore, MD 21202

Dear Councilman Costello,

This letter is in response to your correspondence dated August 17, 2015 regarding the printer failure in the lien section on Tuesday, July 7 (see Attachment A). I appreciate this opportunity to provide you with the Finance Department's detailed response to the events of that day and the days that followed. Also, let me assure you that I share your concerns regarding the printer malfunction and that we have taken steps to ensure that it will not be repeated.

I. The Event

On the afternoon of July 7th the printer in question began to malfunction. The support vender was notified immediately and diagnostic work began on the printer on July 8th. The necessary parts were identified, ordered, and shipped to the vender. After installation on July 10th it was determined that additional parts were required. These parts were received and installed on Tuesday, July 14th. Still more parts were needed and ordered. These parts were overnighted and installed on July 15th. At that time printer service was restored.

As you are aware, the printer malfunction could not have occurred at a busier time. July is our peak demand for lien certificates as it coincides with the mailing of approximately 217,000 2015/2016 real property tax bills on or about July 1st. Prior to the printer malfunction we were processing certificates within 2 days, well within our city website advertised 7 day turnaround. The entire backlog associated with the printer malfunction was eliminated by Wednesday, July 22nd.

II. Immediate Response

During the time the printer was out of service, the lien staff processed manually generated certificates for scheduled settlement cases (see Attachment B). They prioritized those customers who contacted the office regarding imminent settlement dates. Unfortunately, some customers would not accept the manual certificate because the appearance is different from a system generated certificate (see Attachment C).



III. Response to Questions

1. How many lien certificate printers does the City Own and/ or Lease?

The City owned one printer dedicated to lien certificates on July 7th. In response to the malfunction we have purchased a second printer that will serve as a backup/second fully redundant certificate printer.

2. If the City leases this equipment, what are terms of the lease(s) (including length of time, cost, and warranty)?

The City owns the two lien printers.

3. Independent of any existing warranties, is there a service contract for maintaining the printer? If so, what are the terms for this contract (including length of the time and cost)? Did the service contractor meet their terms of this contract during the down time?

The printer is covered by an annual renewable service contract with Xerox. The current contract covers the period of March 15, 2015 to March 14, 2016, and costs \$479.00 per year. When the malfunction occurred on July 7th, Xerox was immediately contacted to diagnose the problem and order the appropriate replacement parts. Xerox installed the parts on July 10th after receipt and determined additional parts were required. Additional parts were ordered and installed on July 14th and 15th. Once the printer was operational the lien staff worked additional hours to eliminate the backlog.

4. What is the City's contingency plan should the lien certificate printer fail again?

The City now has two lien printers, each capable of handling the full complement of work. In the event both printers fail :

- i. The manual certificate process will begin immediately.
- ii. The department will communicate to the title companies that there is a printer malfunction and offer them the option of accepting a manual certificate or wait for the computer generated certificate (see Footnote 1).
- iii. We will place signage outside the lien section notifying customers of the failure.
- iv. Lien staff will post a notice of same on the Finance Department website.

In addition, we have a new local printer repair contractor who will provide service for these critical pieces of equipment.

Footnote 1: There will be an informational meeting in the near future to inform the title companies about the process regarding manual and system generated certificates.

5. Is it possible to use another jurisdiction's printer through an MOU agreement, or to use another printer that the City has access to?

It is not possible to use another jurisdiction's printer. The programming and format of the lien printer is specialized and specific to Baltimore City's Mainframe and other stand-alone systems. Most offices are familiar with printing Word documents or pdfs from desktop printers. Printing lien certificates is very different. The lien printer is programmed to extract data from at least 14 lien types within the Mainframe and other systems.

The programming for this extraction process costs more than ten times the cost of the printer and involves the service of a private software vendor as well as the Mayor's Office of Information Technology. We have already begun the programming of the second printer and it is expected to be fully operational by September 30th.

6. If a contingency plan does not exist, how long will it take to develop one, and will you commit to the plan's development?

The contingency plan is in place.

IV. Lessons Learned

The most significant lessons learned from this experience are:

1. The need for redundancy;
2. The need to communicate with stakeholders; and
3. The need to upgrade and replace the service contract.

All of these things have been implemented. Please let me know if you have any additional questions or concerns. We share your frustration with what occurred in July and hope you will agree that we have taken steps to better protect against a repeat occurrence.

Sincerely,



Henry J. Raymond
Director

BALTIMORE CITY COUNCIL**ERIC T. COSTELLO – Eleventh District**

CITY HALL, ROOM 527
 100 N. HOLLIDAY STREET, BALTIMORE, MARYLAND 21202
 TELEPHONE: 410-396-4816
 FAX: 410-545-7464
 eric.costello@baltimorecity.gov

August 17, 2015

Henry J. Raymond
 Director, Baltimore City Department of Finance
 454 City Hall
 100 N. Holliday Street
 Baltimore, Maryland 21202

Dear Mr. Raymond:

As you know, the Baltimore City Charter requires the Department of Finance to issue the lien certificates¹ necessary to complete real estate transactions. Recent events have made it more important than ever that we ensure continued investment in our City. To accomplish this, we must do all in our power to shore up a healthy real estate market.

I was disappointed to learn of recent issues with the City's lone printer capable of producing lien certificates. According to the Baltimore Sun, and a spokesman from the Mayor's Office, the printer broke down on July 7, 2015. This breakdown resulted in a backlog of over 1,000 lien certificates, and brought the City's real estate market to a grinding halt. This impacted several of my constituents in Bolton Hill and Druid Heights, who had to postpone their closings and scramble at the last minute to acquire all of their documentation in order to close on rescheduled dates. In one case, this malfunction endangered the prospective home buyer's financing.

Until the time that the Baltimore Sun reported this news, the public did not know much—if anything—about this printer, the process by which the City issues lien certificates, or any contingency plans which exist should the printer fail. If contingency plans do not exist, the City should develop them immediately. Without such plans, we risk hampering our real estate market during a crucial time. The City must meet the aforementioned Charter requirement and restore the public's confidence in the role local government plays in the real estate market.

To restore this confidence and to ensure the seamless continuity of real estate transactions in our City moving forward, I ask you for detailed responses to the following questions:

1. How many lien certificate printers does the City own and / or lease?
2. If the City leases this equipment, what are the terms of the lease(s) (including length of time, cost, and warranty)?
3. Independent of any existing warranties, is there a service contract for maintaining the printer?
 - o If so, what are the terms of this contract (including length of time and cost)?

¹ Charter of Baltimore City, Article VII, § 13 (a) requires: "The Department shall keep a record of all municipal charges and assessments and shall provide for the issuance of a lien certificate stating whether any, and, if so, what municipal charges or assessments exist against any particular property. The Department shall make such charge for the issuance of a lien certificate as may be fixed by the Board of Estimates."



- o Did the service contractor meet their terms of this contract during the down time?
- 4. What is the City's contingency plan should the lien certificate printer fail again?
- 5. Is it possible to use another jurisdiction's printer through an MOU agreement, or to use another printer that the City has access to?
- 6. If a contingency plan does not exist, how long will it take to develop one, and will you commit to the plan's development?

Please provide a written response to the above questions by no later than August 31, 2015. I look forward to hearing back from you and working with you on this important issue. If you have questions about my request, please do not hesitate to contact me at eric.costello@baltimorecity.gov or (410) 396-4816.

Sincerely,



Eric T. Costello
City Councilman, 11th District

CC:

City Council President Bernard C. "Jack" Young
All City Council Members
Kara Kunst, City Council Legislative Director
Mayor Stephanie Rawlings-Blake
Kaliopé Parthemos, Mayor's Chief of Staff
Andrew Smullian, Deputy Mayor of Government Relations and Labor

CERTIFICATE NUMBER

MAYOR AND CITY COUNCIL OF BALTIMORE
BUREAU OF REVENUE COLLECTIONS
LIEN SECTION
200 HOLLIDAY STREET
BALTIMORE, MARYLAND 21202

This certificate is VOID 45 days
from issue date of July 1st,
whichever is sooner.



Issue Date - Void After _____

Application has been mad for a search of the City tax lien record for State and Municipal taxes, charges and assessments existing against the assessed property. This document is to certify that a search has been made by this office and the status of taxes, charges and assessments is enumerated below. All amounts reflected are inclusive of interest and penalty as of the issue date of this certificate.

W/S/B/L -

Address:

Real Property

Partial

Special Benefits

Miscellaneous

Environmental Citation

Water

Alley/Footway

Personal Property

Residential Registration

Important notice as to Bankruptcy and/or Tax Sale redemption figures. Only written payoff figures will be honored. Figures quoted over the phone are not binding. If you need an official payoff for either pre-petition Bankruptcy or Tax Sale you must fax a copy of the Lien Certificate to the Delinquent Accounts Section at 410-837-6994 and provide a fax number or e-mail address for a response.

All of which is hereby affirmed and approved.

Lien Section Supervisor

This Lien Certificate is issued pursuant to Article VII, Section 13, of the Baltimore City Chapter (2010). This certificate includes liens of record as of the issue date only. New liens imposed after the date of issuance are due and owing. Homestead Credits may be recaptured if the property owner is found to be ineligible. This certificate include only interest and penalties to the date listed; additional interest and penalties may accrue beyond the calendar month on this certificate. ALL LIENS MUST BE PAID IN FULL TO TRANSFER. This office is not responsible for performing title searches, verifying metes and bounds, or determining property ownership. It is not responsible for errors due to improper or incomplete descriptions or erroneous property numbers.

\$55.00

CERTIFICATE NUMBER

0

MAYOR AND CITY COUNCIL OF BALTIMORE
BUREAU OF REVENUE COLLECTIONS
LIEN SECTION
200 HOLLIDAY STREET
BALTIMORE, MARYLAND 21202

This certificate is VOID 45 days
from issue date or July 1st,
whichever is sooner.

Issue Date - Void Date
05/19/14 07/03/14



Application has been made for a search of the City tax lien record for State and Municipal taxes, charges and assessments existing against the assessed property. This document is to certify that a search has been made by this office and the status of taxes, charges and assessments is enumerated below. All amounts reflected are inclusive of interest and penalty as of the issue date of this certificate.

W/S/B/L -

Address:

REAL PROPERTY
13/14 07/29/13 AMT PD 1,524.35 AMT DUE .00 PAID

ENV CIT: \$780.00

METERED WATER
ACCT # READING DATE 03/28/14 AMT. \$ 115.50

PERTINENT INFORMATION

NO VIOLATIONS

PRP REG AMT DUE = \$181.80 CALL 410-396-3575 MUST OBTAIN REG FORM/

Important note as to Bankruptcy and or Tax Sale redemption figures. Only written payoff figures will be honored. Figures quoted over the phone are not binding. If you need an official payoff for either pre-petition Bankruptcy or Tax Sale you must fax a copy of the Lien Certificate to the Delinquent Accounts Section at 410-837-6994 and provide a fax number or e-mail address for a response.

All of which is hereby affirmed and approved.

Martin Shipley
Lien Section Supervisor

This Lien Certificate is issued pursuant to Article VII, Section 13, of the Baltimore City Charter (2010). This certificate includes liens of record as of the issue date only. New liens imposed after the date of issuance are due and owing. Homestead Credits may be recaptured if the property owner is found to be ineligible. This certificate includes only interest and penalties to the date listed; additional interest and penalties may accrue beyond the calendar month on this certificate. ALL LIENS MUST BE PAID IN FULL PRIOR TO TRANSFER. This office is not responsible for performing title searches, verifying metes and bounds, or determining property ownership. It is not responsible for errors due to improper or incomplete descriptions or erroneous property numbers.