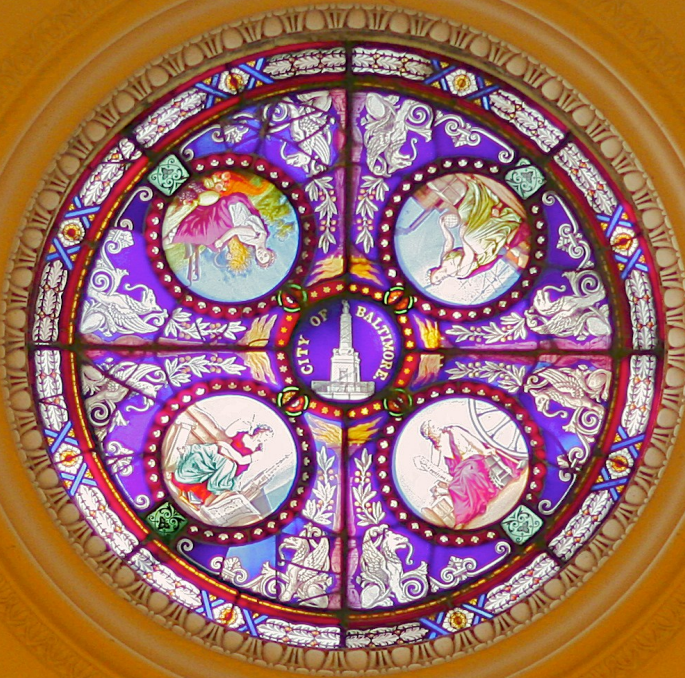


Citizens' Guide to the Fiscal 2013 Budget



Stephanie Rawlings-Blake, Mayor
City of Baltimore, Maryland

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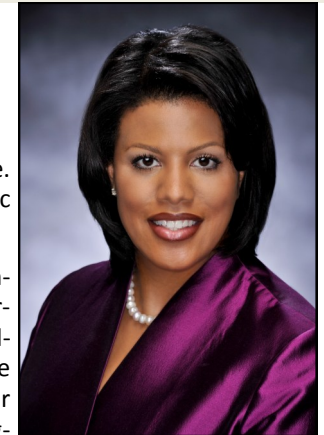
CITY OF BALTIMORE FISCAL 2013 BUDGET

A Message from the Mayor

Dear Taxpayer,

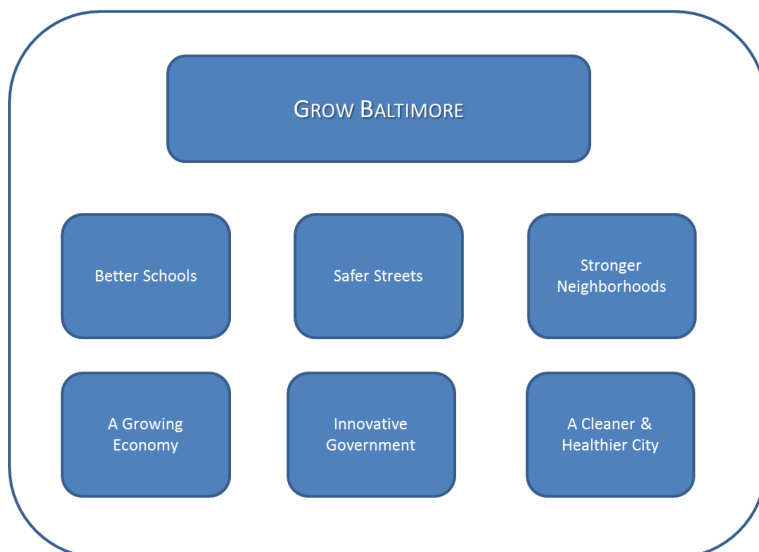
Growing Baltimore is a necessity for the City's long term prosperity and requires tough choices and smart investments for Baltimore's future. To that end, the Fiscal 2013 Budget prioritizes spending on the key issues that matter most to Baltimore's families: crime reduction, public education, jobs and economic growth, and core City services for neighborhoods.

The budget closes a \$48 million shortfall while fully funding the City's obligation to public schools, continuing an aggressive plan to hire hundreds of new police officers to keep crime going down, and providing funding for street repair and blight elimination—all while cutting property taxes for city homeowners. For the first time since Fiscal 2008, Baltimore homeowners will receive a property tax cut. This is the first installment of a new tax credit that will reduce homeowners' effective property tax rate 20 cents by 2020. The impact of the Great Recession will be with us for many years, which means that we must balance the city's budget in a sustainable way—temporary fixes won't cut it. A Ten Year Plan to address the City's long-term fiscal challenges is in the works, and some of the recommendations are included in the Fiscal 2013 budget. It is a smart budget plan, because we are investing our limited resources in clear priorities to help get Baltimore growing again.



Baltimore's Priorities

The City's budget aligns resources with results that matter most to Baltimore's citizens. The Fiscal 2013 budget was built around the Mayor's vision to grow Baltimore by 10,000 families in the next 10 years. To meet this ambitious target, City government seeks to achieve six Priority Outcomes for making Baltimore a better place to live and work.



The Citizens' Guide to the Fiscal 2013 Budget explains the City's budget and budget process in clear and simple terms. I hope that making this information transparent and readily available will enable citizens to take an active role in the budget process and help move our City forward.

Outcome Budgeting

Over the past three years the City of Baltimore has adopted a forward thinking method of budgeting focused on purchasing measurable results that advance the Mayor's six Priority Outcomes. This process, known as Outcome Budgeting, has allowed Baltimore to continue to invest strategically to improve services during a period of unprecedented fiscal stress.

Outcome Budgeting rejects across-the-board cuts to balance the budget and instead promotes healthy competition for resources, collaboration, and innovative solutions to the City's toughest challenges.

WHAT IS THE CITY BUDGET?

Budget Facts

What is the City Budget?

The City's total Fiscal 2013 budget is \$3.1 billion. The budget is divided into two major categories: Operating and Capital. The City's Charter requires a balanced budget at the end of each fiscal year.

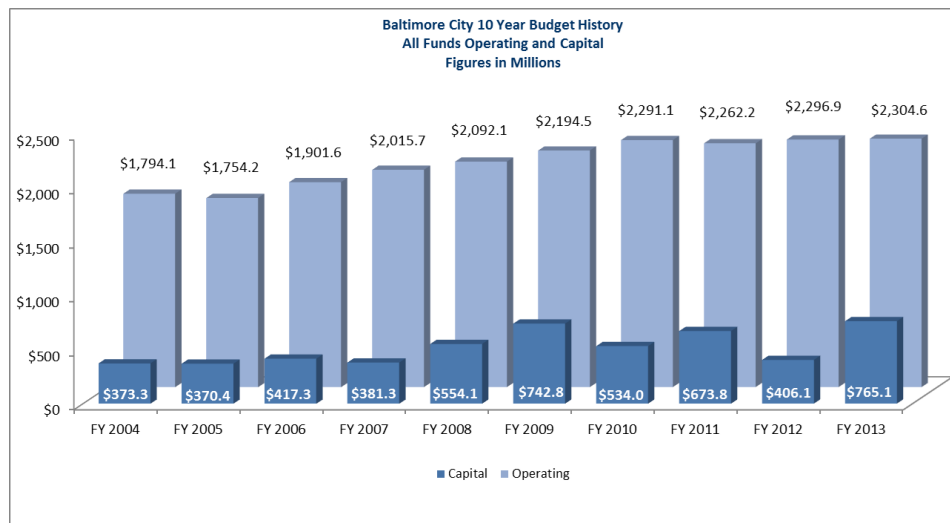
Operating vs Capital

The operating budget supports the day to day activities that keep Baltimore running. This portion of the budget accounts for 75.1% of the City's total budget in Fiscal 2013.

Capital projects are physical improvements that cost more than \$50,000, or maintenance and repair of equipment that costs more than \$100,000. The capital budget supports physical improvements and major maintenance and repair projects. The Fiscal 2013 capital budget is the first year of the six-year Capital Improvement Program that is recommended by the Planning Commission. The capital budget represents 24.9% of the Fiscal 2013 City budget, and is funded through a combination of local revenues, user charges, grants and debt financing.

Budget History

The following chart shows the 10 year history of the City's operating and capital budgets. The operating budget grew an average of 2.8% per year from 2004-2013, and increased 0.3% from Fiscal 2012 to Fiscal 2013. The capital budget has increased an average of 10.5% from Fiscal 2004 to Fiscal 2013. The capital budget varies significantly from year to year. For the Fiscal 2013, the capital budget includes \$393.5 million in revenue bonds for water and wastewater system improvements.



Budgetary Funds

The City's budget is comprised of the following budgetary funds that are made up of distinct groups of revenues and expenses that must be separately identified, planned and accounted for by law or for management purposes.

General Fund

This is the City's largest and most important fund and contains all local taxes paid by City residents, businesses and visitors. This is the Fund over which policy makers have the most management discretion in order to implement service changes and increase or lower tax burdens.

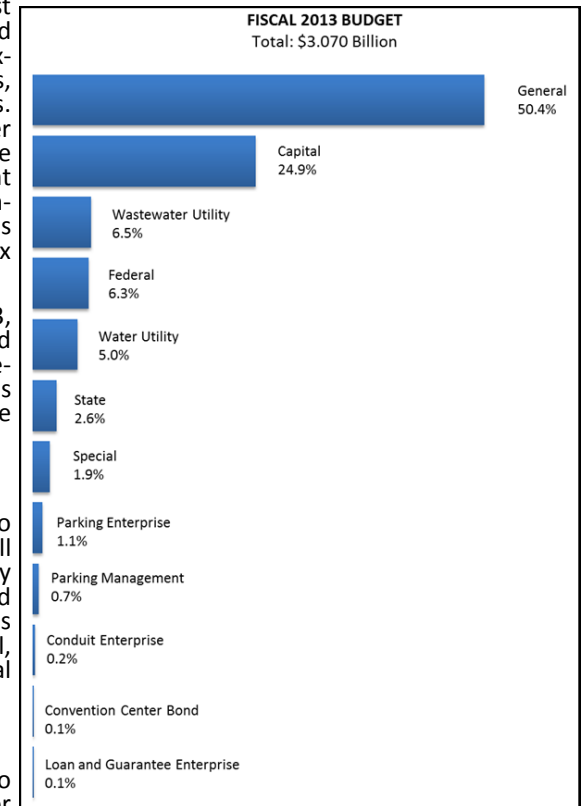
Starting in Fiscal 2013, the Motor Vehicle Fund will no longer be an independent fund and has been merged with the General Fund.

Grant Funds

These funds are used to budget and account for all activities that have legally restricted uses supported by dedicated funds. This group consists of federal, State and other special and private grant funds.

Enterprise Funds

These funds are used to budget and account for operations where the costs of providing services are financed or recovered primarily through user charges or other dedicated revenues. Enterprise funds include the Conduit, Loan and Guarantee, Parking, Water Utility and Wastewater Utility funds.



WHY IS THE CITY BUDGET IMPORTANT?

The City's budget lays out the Mayor's game plan for growing the City and advancing the Priority Outcomes in Fiscal 2013. To achieve these priorities, the City provides a vast array of services that have a direct impact on the daily lives of Baltimore residents. Some examples in the Fiscal 2013 budget include:

- Resurfacing over 200 lane miles of City roadways
- Operating a water distribution system that supplies water to 1.8 million customers in the Baltimore Metropolitan Region and includes 4,500 miles of water mains
- Collecting and disposing of mixed refuse from 205,000 City households, including 26,000 tons of recycled materials
- Providing school health services for 455,000 student visits in Baltimore City public and charter schools
- Serving 3,900 children through Early Education and Head Start programs as well as serving an additional 5,400 students with after-school programs
- Responding to 730,000 police and 156,000 fire emergency calls annually
- Assisting 4,000 families to purchase homes in the City
- Serving 40,000 children in summer reading programs offered by the Enoch Pratt Library
- Providing over 1.3 million summer lunches to students throughout Baltimore
- Maintaining 6,000 acres of parkland and 121 playground areas
- Placing 5,000 students in the Youth Works summer jobs program
- Operating six park pools, 13 neighborhood pools, seven wading pools and splash pads and three indoor pools
- Inspecting 13,000 food establishments and 4,600 liquor stores and bars
- Answering 1.2 million 311 and police non-emergency calls a year
- And much more...

DID YOU KNOW?

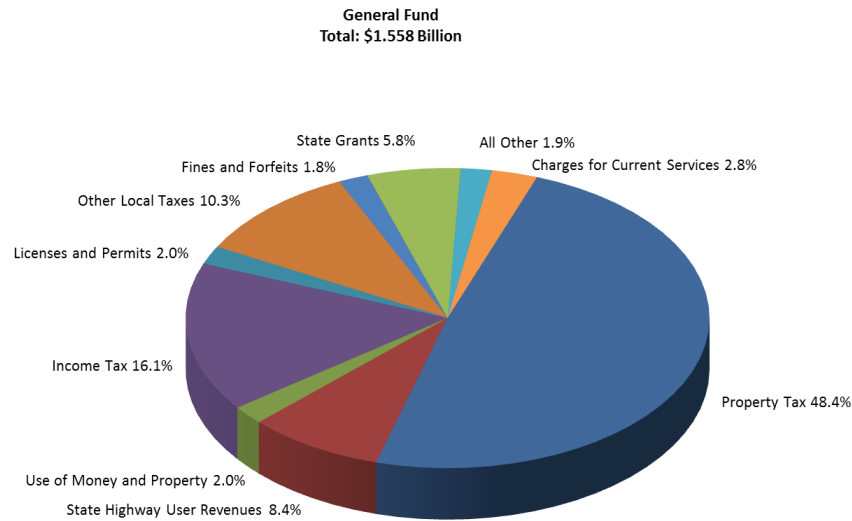
There are six citizen drop off centers for trash and recycling. To find the one nearest you go to: publicworks.baltimorecity.gov/Recycling



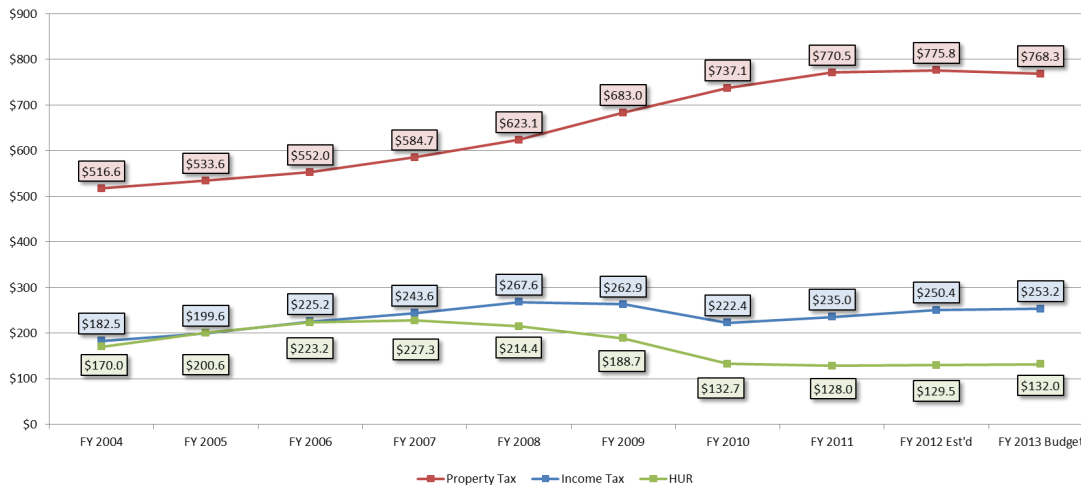
FINANCING BALTIMORE

Where the Money Comes From

The General Fund is made up largely of local taxes. This is the Fund where the Mayor and City Council have the most discretion. These funds support many of the services you as a resident are familiar with.



Property Taxes, Income Tax and Highway User Revenue
(Figures in Millions)



The Taxes You Pay

REVENUE NAME	DESCRIPTION
Property Tax	\$2.268 per \$100 of assessed property value
Income Tax	3.20% of taxable Income
Telephone Tax	\$4 per land & wireless line and \$0.40 for each Centrex line per month
Energy Taxes	Per unit consumed, this rate varies by type of energy
Recordation Tax	\$5 per \$500 of consideration value subject to recordation
Transfer Tax	1.5% of consideration value subject to transfer
Admissions & Amusement	10% on the Gross Amount Paid for admissions such as sporting events
Beverage Container	\$0.02 per beverage container under two liters, excluding milk & juice
Parking Taxes	20% of the gross amount paid for occupying a parking space

This chart shows trends for the three largest General Fund revenue sources: property tax, income tax, and highway user revenue

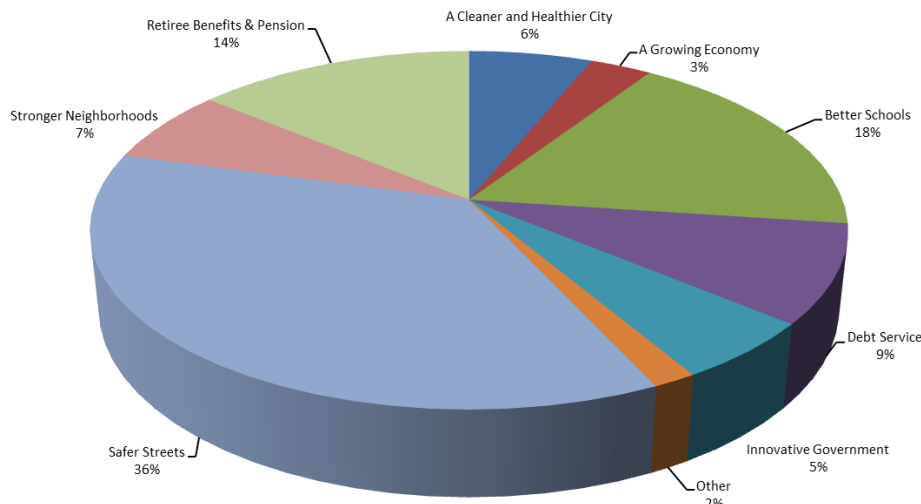
These charts show how General Fund revenues are allocated in three different ways. The charts break down General Fund spending by:

- Priority Outcome: *These outcomes support the Mayor's vision to Grow Baltimore*
- Function: *A more detailed breakdown of spending within Priority Outcomes*
- Expenditure Type: *Categories of spending*

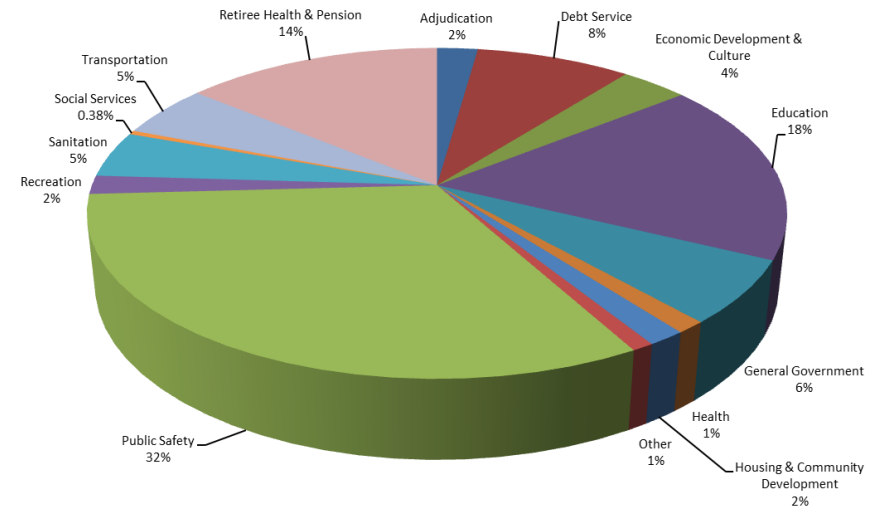
DID YOU KNOW?

The General Fund makes up 67% of the City's total operating budget. Other funding sources include State and Federal grants (8%), special funds (2%), and the water and wastewater utilities (6.5%). Grant funds provide significant support for health, housing, education, and law enforcement services.

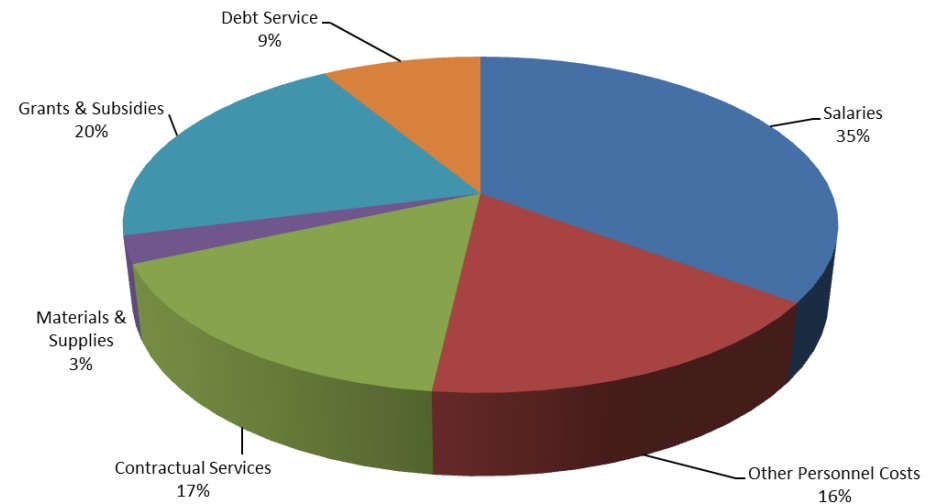
Budget by Priority Outcome



Budget by Function



Budget by Type of Expenditure



WHAT DO WE GET FOR OUR MONEY?

After 50 years of population decline, Baltimore is planning for a new future. Baltimore's new future is one that is centered around growing the city by 10,000 families over the next decade. To reach this goal, three key areas must be addressed: insuring safe streets, improving the City schools, and reducing the City's property tax rate.

The City is committed to doing even more to reduce crime and violence including: continuing an aggressive police hiring plan, expanding the use of crime camera technology, adding new foot patrols in targeted neighborhood commercial corridors, and continuing the fight against violent repeat offenders and illegal guns.

The Mayor has committed to a major plan to improve the conditions of City schools. Her plan includes increasing the City's beverage container tax, dedicating ten percent of lease revenue from the City's slots facilities, and leveraging additional state formula funding for Baltimore City Public Schools.

The centerpiece of the Mayor's plan to reduce property taxes is the 20 Cents by 2020 program. In July of 2012, owner occupied homes will receive the first installment of a tax credit designed to reduce the average tax rate by 20 cents or approximately 9%, from the current rate of \$2.268 to \$2.068 per \$100 of assessed value. By reducing property taxes, the City will increase the property tax base with more residents and higher property values.

The Fiscal 2013 budget supports the Mayor's growth strategy by focusing investment on her six Priority Outcomes:

BETTER SCHOOLS

- Fully funds the City's commitment to the Baltimore City Public Schools (BCPS).
- Provides funding to keep all school-based health centers open, in order to promote wellness and increase student attendance. Annually this service offers care for 455,000 visits.
- Maintains funding to keep all library branches open.
- Supports after school programming that contributes to the goal of 90% attendance levels at Baltimore City schools.
- Supports Early Childhood and Head Start early education programs for nearly 4,000 children.

DID YOU KNOW?

80% of 911 calls received by Baltimore City Fire Department are for EMS services

SAFER STREETS

- Funds police patrol at the current level and continues an aggressive police hiring plan as the City's violent crime rate continues to decline.
- Emergency Medical Services will transport approximately 89,000 patients in Fiscal 2013. Ninety percent of these calls will be responded to in 10 minutes or less.
- Funds the Operation Safe Kids and Operation Safe Streets youth violence prevention programs, which have proven to reduce shootings in targeted neighborhoods.
- Provides funding to operate 550 crime cameras strategically placed throughout Baltimore. In 2011 these cameras aided in over 1,200 arrests.



STRONGER NEIGHBORHOODS

- Fully funds street management efforts to maintain the City's 4,300 lane miles. This includes resurfacing 200 lane miles and repairing 90% of potholes within 48 hours.
- Continues investment in the Vacants to Value initiative that includes increased code enforcement activities and aggressive marketing strategies to sell vacant properties.
- Funds a Memorial Day to Labor Day pool schedule. Six park pools, 13 walk-to pools, and Walter Sondheim Splash Pad will be operational during the summer.
- Provides funding to expand the Urban Farms Project through the Department of Recreation and Parks. The program will provide for 200 additional plots for community gardeners, for a total of nearly 900 plots.

A GROWING ECONOMY

- Supports small and emerging businesses through the Small Business Resource Center and the Emerging Technology Center, resulting in nearly 500 new jobs & support to over 200 small businesses.
- Provides summer job opportunities for approximately 5,000 young people and includes new funding for year-round job placement.
- Funds new Community Job Hubs that will connect City residents with employment opportunities.
- Provides funding for multiple cultural institutions in Baltimore including the Baltimore Museum of Art and Baltimore Symphony Orchestra.



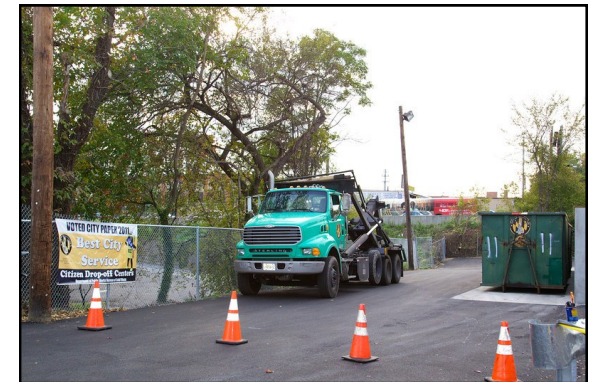
A CLEANER & HEALTHIER CITY

- Launches a pilot preventative maintenance program for rotational mowing schedules that will ensure vacant lots are regularly maintained.
- Maintains funding for 1+1 trash and recycling collection. Since the program's inception over 50,000 tons of recycling materials have been collected and the rate of household recycling has increased by 50%.
- Invests in nurse home visiting services to improve maternal and child health for the City's most vulnerable residents.
- Funds 150 overflow beds for persons utilizing temporary housing.



INNOVATIVE GOVERNMENT

- Makes a \$2 million Innovation Fund investment to replace the City's 800 MHz line with new fiber optic technology. This investment will ultimately provide greater broadband connectivity throughout Baltimore City and drive future investment.
- Increases funding for Property Tax Billing Integrity and Recovery. To date this unit has reported more than \$4 million of erroneous and fraudulent tax credits to the state.
- Accelerates the transition of outdated business applications from the mainframe to a more modern platform.



DID YOU KNOW?

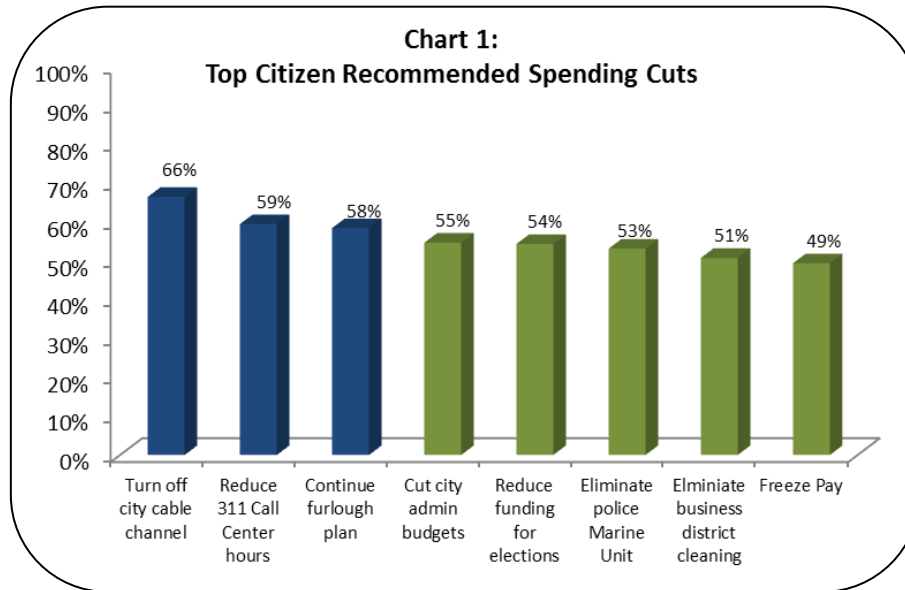
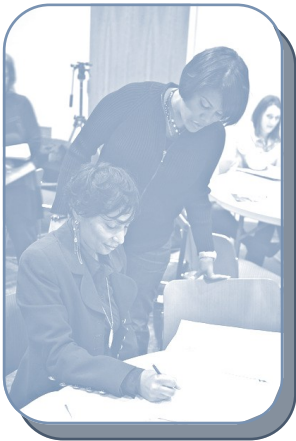
Baltimore Health Department operates 6 Senior Centers that provide services to 50,000 seniors annually. These centers help to promote healthy lifestyles for Baltimore's seniors.

LISTENING TO CITIZENS

What You Said What the Budget Does

In the Fiscal 2013 budget planning process residents were invited to participate in citizen budget workshops where they were able to develop a budget that reflects their priorities (the exercise was also available online). During the workshops citizens were asked to make budget decisions to close the city's \$48 million budget deficit. This could be done by making spending cuts, increasing revenue, or enhancing funding for high priority services.

These charts show how the recommended budget aligns with citizen input. All bars in green are reflected in the Fiscal 2013 budget plan. Recommendations not reflected in the Fiscal 2013 budget have been targeted for further review for Fiscal 2014.



Note: The bars in green were incorporated into the Fiscal 2013 budget

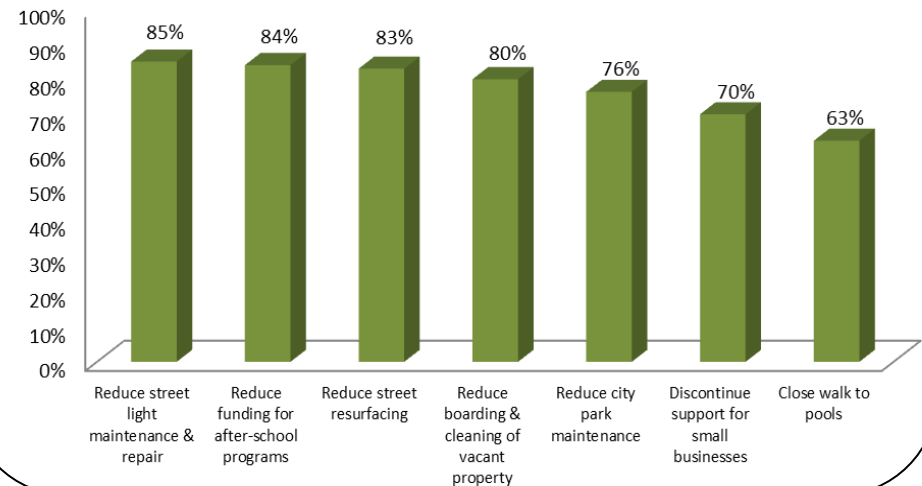
- The City cable channel will continue to be funded in Fiscal 2013; however, this service has seen its budget reduced 24% since Fiscal 2010.
- The 311 night shift was eliminated in Fiscal 2011. For Fiscal 2013, the 311 Call Center will be merged with the 911 Call Center to increase effectiveness.
- The recommended budget ends furloughs and generates new savings through health benefit reforms.
- City administrative budgets were reduced by \$1.3 million from the current level of service following 10% reductions in Fiscal 2011 and 2012.
- Funding for city elections was reduced by 5%. Recent State action will align the City's election cycle with federal elections. This shift will reduce the number of elections, generating future cost savings for the City.
- The Police Marine Unit will be funded for an on-call basis for a savings of \$850,000.
- Business District Cleaning will utilize mechanical sidewalk sweepers that will improve overall effectiveness while reducing the cost of the service.
- City employees will not receive a cost of living increase, though ending furloughs is an effective 1-2% increase in take home pay.

- The City will continue the conversion of street lights to LED technology. This transition will ultimately lead to nearly \$2 million in savings in lighting and maintenance costs.
- Funding for after-school programs has been protected throughout the economic downturn. In Fiscal 2013, the Family League will engage 8,000 students, a 50% increase.
- The current level of service has been maintained for street resurfacing and street light maintenance. This translates into 200 lane miles resurfaced.
- The City will continue to clean & board 42,000 vacant properties in Fiscal 2013.
- Recommended funding for Park Maintenance will allow the service to partner with other city agencies to maintain park services.
- Services for small and emerging businesses will be maintained.
- The proposed pool season for the summer of 2012 is consistent with the 2011 season and keeps walk-to neighborhood pools open.

DID YOU KNOW?

The Mayor hosts budget workshops in the fall and winter to allow citizens the opportunity to balance the budget and share recommendations. This exercise is also available online. Be sure to check out the City's budget website for more details: www.baltimorecity.gov/budget.

Chart 2:
Spending Cuts OPPOSED By Citizens



Note: The bars in green were incorporated into the Fiscal 2013 budget

Citizen Input & Revenue

- 84% of participants opposed raising the property tax. In Fiscal 2013 homeowners will see the first phase of a new homeowner's property tax credit. Ultimately the credit will reduce the property tax by 20 cents by 2020 for owner occupied residential properties.
- 61% of respondents support selling sponsorships and advertising on public building and parks. Current efforts are underway to determine how this project can be carried out.
- This budget does not include any new taxes or tax increases to City residents.

BALTIMORE'S FISCAL OUTLOOK

The City faced a \$48 million budget shortfall for Fiscal 2013, representing 3% of projected General Fund revenue. A budget shortfall is the difference between projected revenues and the estimated costs of continuing to provide the current level of City services.

The \$48 million shortfall included:

A \$15 million drop in revenue from the Fiscal 2012 budgeted level. Property tax revenue will fall for the first time since the economic downturn began. Also, speed camera revenue is expected to shrink as drivers slow down, and the City will rely less on revenue from fund balance to support capital projects.

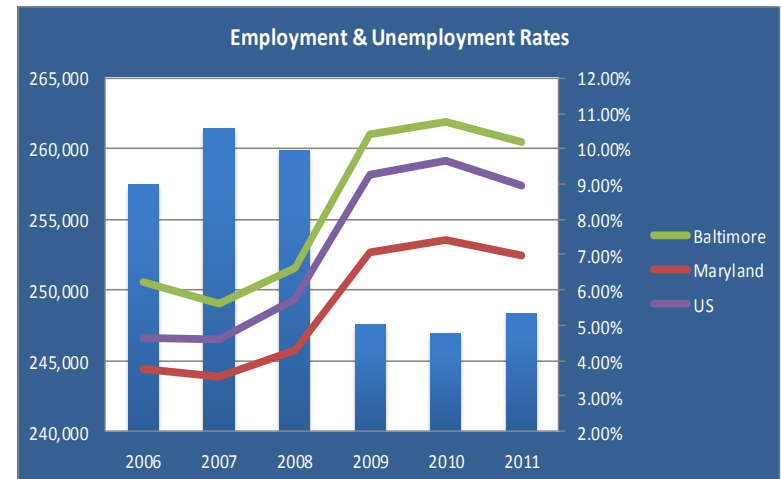
\$33 million in estimated cost increases to maintain current services. The key cost drivers are employee cost-of-living adjustments, elimination of furloughs, increased pension contributions, and reduced reliance on fund balance to support operating and capital costs.

Although the Mayor and City Council have passed a balanced budget for Fiscal 2013, ten year projections show that the City will continue to face large budget shortfalls over the next decade.

SLOW RECOVERY

Employment

City residents lost nearly 15,000 jobs to the Great Recession, and the unemployment rate in the City nearly doubled, from under 7% in 2007 to 11.5% in mid-2010. Employment recovered slowly in late 2010 and throughout 2011, adding an average of 230 jobs a month. In 2012, employment has stalled and income tax revenues remain well below their pre-recession levels. The City projects that employment will resume a modest recovery, although many economic risks remain, including the European debt crisis and further State and federal spending cuts.



Home Sales

Housing sales in Baltimore plummeted by 50% from 2005 to 2008 and by 2011, prices had fallen back to pre-bubble levels. Sales volume has stabilized and over the past year, prices have begun to recover. Many uncertainties remain in the housing market, including many homes in the foreclosure pipeline that have not yet hit the market. This additional inventory could have the effect of depressing housing prices. Due to Maryland's three-year assessment cycle and homestead tax credit, the impact of the housing collapse on the City's property tax revenues has been delayed. In fact, Fiscal 2013 will be the first year of actual property tax revenue decline in the wake of the Great Recession. This downward revenue trend is expected to continue at least through Fiscal 2014, with slow recovery in the outyears.

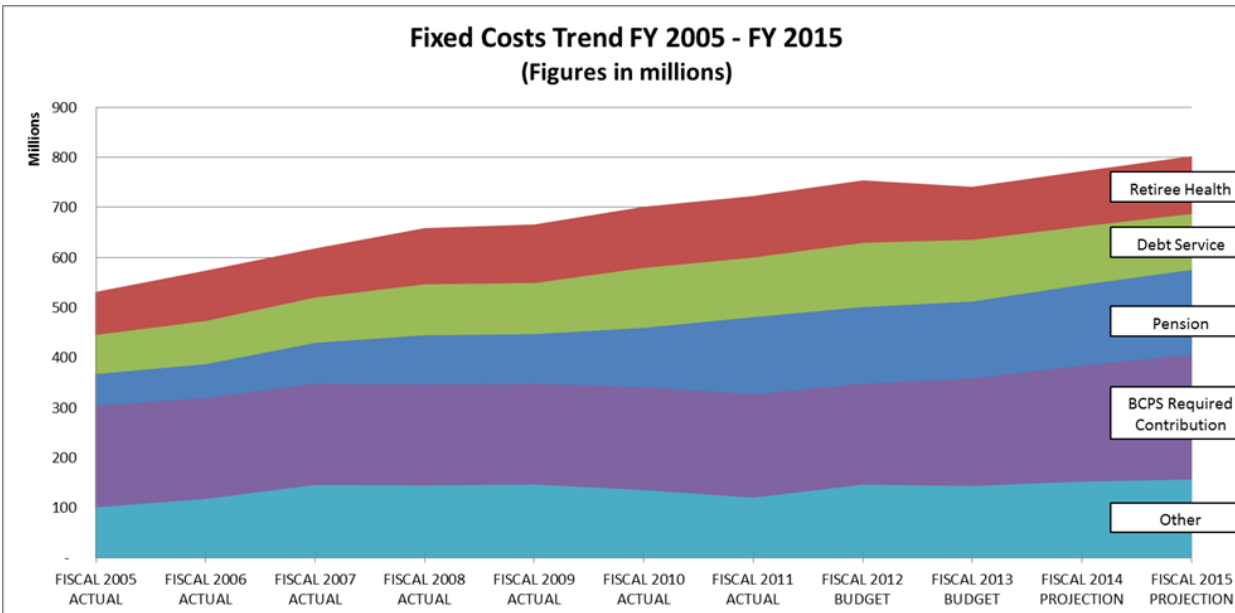
GROWING FIXED COSTS

What are Fixed Costs?

In general, "fixed costs" are costs that the City is required to pay by law or contract and cannot be easily reduced in the short-term.

Fixed Costs Trends

From Fiscal 2005 to Fiscal 2012, fixed costs grew by 42% and consumed a growing share of General Fund revenue. In Fiscal 2012, fixed costs account for nearly half of all General Fund Revenue.



What is the City Doing to Reduce Fixed Costs?

As a result of the rapid fixed cost growth and declining revenue, the City began taking steps to reduce these costs in Fiscal 2011, including reforming the Fire and Police pension system and changing retiree prescription drug benefits. The City is currently developing a Ten Year Financial Plan to eliminate a structural budget deficit, reduce taxes, and promote economic growth. An early Ten Year plan recommendation is to reform employee health benefits, which is part of the Fiscal 2013 budget.

What Makes Up the City's Fixed Costs?

Retiree Health: The City subsidizes medical and prescription drug benefits for 14,000 City retirees and 7,000 BCPS retirees.

Debt Service: The City Charter mandates that payment of the principal and interest on municipal debt must be funded.

Pension Costs: The City funds three pension systems: for sworn fire and police employees, civil service employees, and elected officials.

BCPS Required Contribution: State law requires that Baltimore City maintain its education funding effort from year to year on a per pupil basis. Starting in Fiscal 2013, the City will be responsible for providing funding for teacher pension, which will add to the existing fixed costs.

Other: Other fixed costs include worker's compensation claims; insurance and liability costs; a State mandated contribution to Baltimore City Community College; gas, electric, sewer and water costs; and BRES-CO tipping fees.

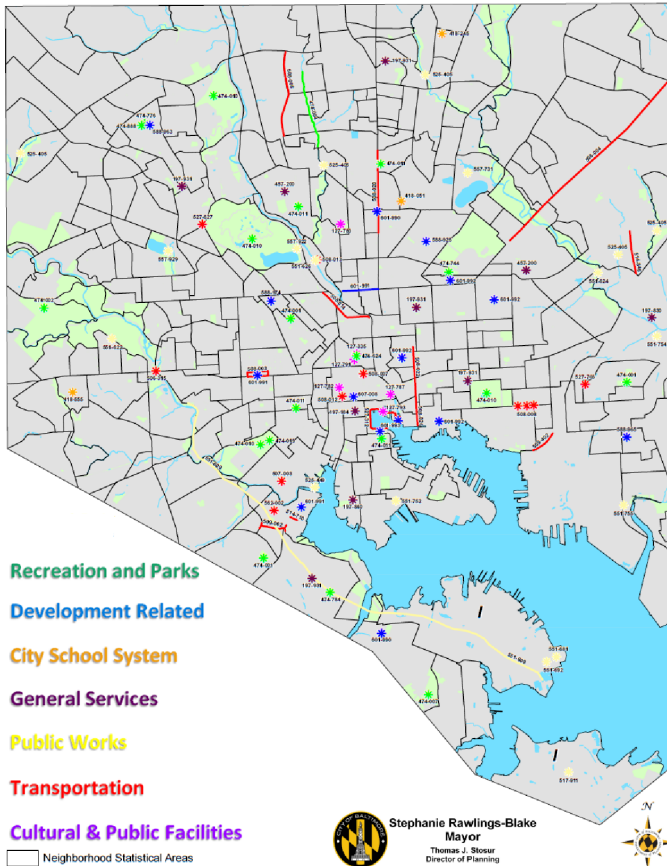
BALTIMORE'S CAPITAL INVESTMENTS

WHAT IS THE CITY'S CAPITAL PLAN?

The City's Capital Improvement Plan is funded through State and federal grants, General Obligation (GO) Bonds, General Fund revenues, revenue bond proceeds and County payments (i.e., neighboring counties' share of water and wastewater utility improvements).

The City embraces a Pay-As-You-Go capital funding policy, which annually finances a portion of capital improvements from current revenues as opposed to borrowing. The City's Fiscal 2013 capital budget is the first year of the six-year capital improvement plan.

Capital Improvements Across Baltimore



Key Projects

Recreation & Parks

- Farring Brook Neighborhood Pool Renovations
- CC Jackson Recreation Center Expansion/Modernization
- Clifton Park Rec Center Gym

Transportation

- Fulton St Streetscape
- Bayview MARC Intermodal Station

City Schools

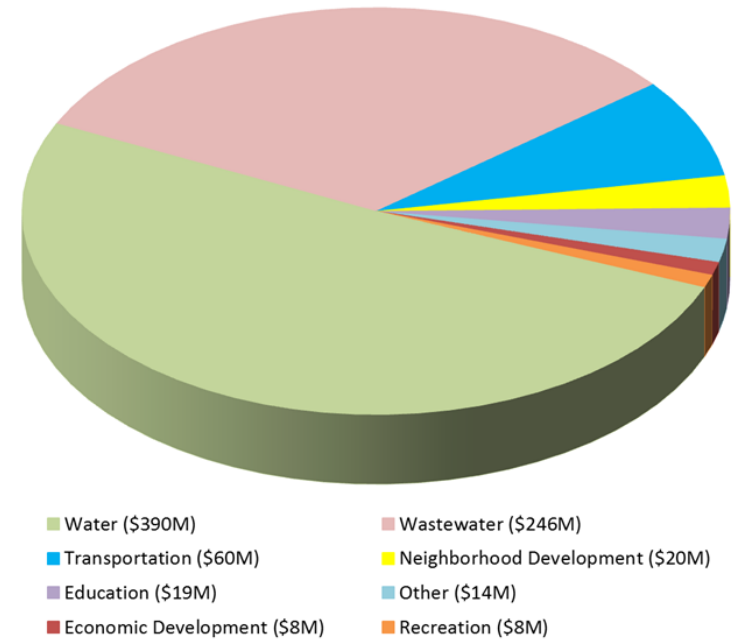
- Waverly PK-8 School
- Leith Walk Elementary School

Citywide

- Meter Replacement Program

Fiscal 2013 Budget - How the Money is Spent

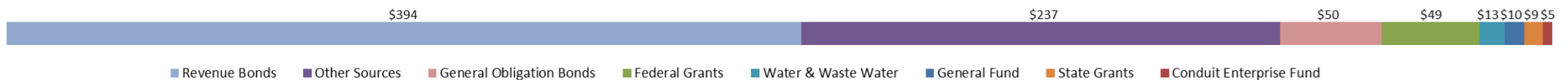
Total: \$765.1 million



Did You Know

The City maintains a GO bond rating of 'Aa2' from Moody's Investor's Service and an AA- from Standard & Poor's.

Fiscal 2013 Budget - Where the Money Comes From—Millions



CREATING BALTIMORE'S BUDGET

Players in the Budget Process

Mayor

The Mayor is the City's Chief Executive Officer, elected by the citizens to a four-year term in office. The Mayor is responsible for:

- Effective operations of City agencies
- Appointing executives and City officials
- Proposing the annual budget to the Board of Estimates

Board of Estimates

The Board of Estimates, the principal administrative body of the City, is composed of three elected officials and two appointed officials. The citizens elect the President of the City Council, the Comptroller and the Mayor. The Mayor appoints the remaining two Board members, City Solicitor and the Director of Public Works. The Board is responsible for:

- Proposing the annual budget to the City Council
- Proposing modifications to the Adopted Budget throughout the year
- Setting fiscal policy

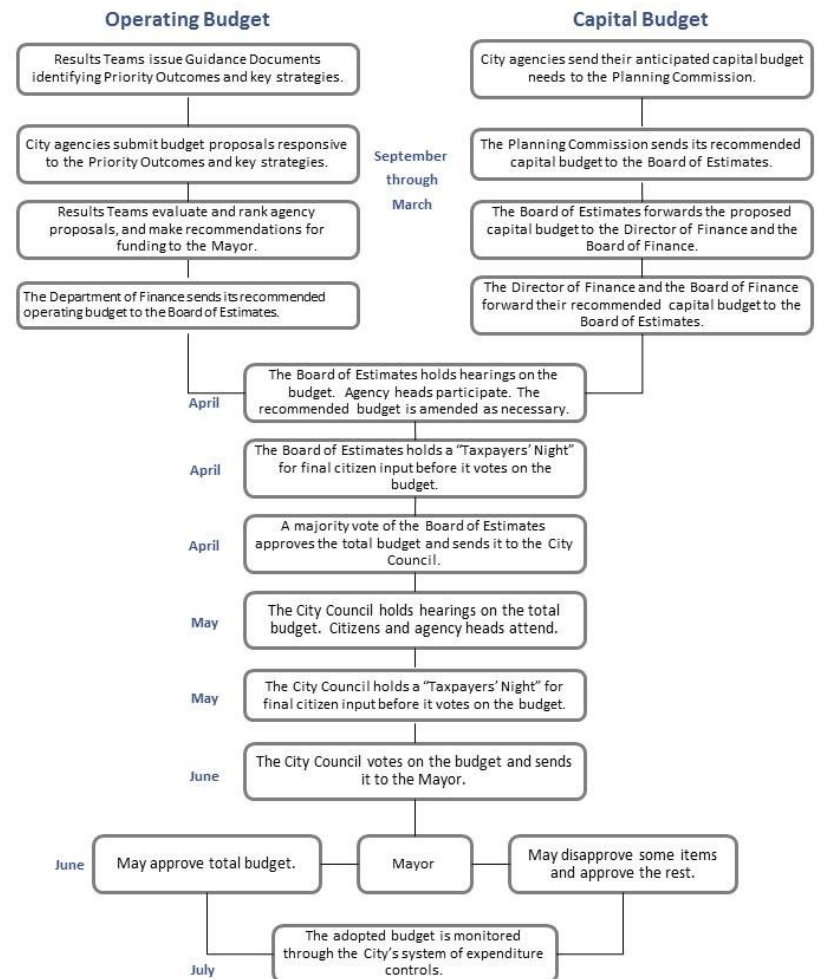
City Council

The City Council is the City's legislative body, made up of fourteen members elected from districts and a President elected at-large.

The Council is responsible for:

- Studying, discussing and passing the City's budget
- Setting the property tax rate
- The council may only reduce from the Board of Estimates' recommended spending levels; it cannot add to them
- Authorizing modifications to the Adopted Budget throughout the year

Baltimore City's Budget Process



GETTING INVOLVED

Citizens are encouraged to be part of the budget process throughout the year. Here's a list of ways you can get more involved.

- Participate in citizen budget workshops held in the fall and winter. These workshops allow you to make decisions regarding the best approach to balance the budget. In addition to the workshop sessions this exercise is available online from November-January. Check out the City's budget website for exact dates as they become available.
- Learn about City agencies and their budgets. This information is available at Enoch Pratt Free Library or online at the City of Baltimore's main website: www.baltimorecity.gov/budget.
- Meet with your councilperson to discuss your concerns or suggestions. Ask for the councilperson's suggestion on whom to contact next or if the councilperson's office would assist you with the next step discussed below.
- Send your ideas to the appropriate City Agency Head with the suggestion to meet with his/her office at a later date to explore the feasibility of your suggestions. You cannot start too soon.
- Attend Taxpayers' Nights, sponsored by the Board of Estimates in late March/early April and the City Council in late April/early May.
- Attend City Council budget hearings. Dates can be found on the City Council website, and anyone can sign up to testify.
- Keep in mind that budget preparations for the next fiscal year, which begins July 1, start 12 months ahead of time. Start early and be persistent if you think your idea will support your community and the City.
- Keep up to date on all budget happenings throughout the year by following @baltimorebudget on Twitter.

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GLOSSARY

AGENCY: An organization authorized by the Mayor and City Council to operate in the best interest of the public. Each agency is responsible by City Charter for submitting a budget request outlining projected costs of operation for the upcoming fiscal year to the Director of Finance and/or Planning Commission, as applicable.

APPROPRIATION: The legislative authority to spend and obligate a specified amount from a designated fund account for a specific purpose.

ASSESSABLE BASE: The value of all taxable property within the boundaries of the City of Baltimore.

ASSESSED VALUATION: A valuation set upon real estate and other taxable property by the State Department of Assessments and Taxation and utilized by the City of Baltimore as a basis for levying taxes. By State law, all taxable real property must be assessed annually at 100.0% of market value.

BUDGET: A proposed plan of revenue and expenditure for a given year.

CAPITAL FUND: A set of budget accounts established to plan for specific capital projects financed by revenues received from other City funds, revenue and general obligation bond borrowing, state, federal, county, private and other miscellaneous sources.

CAPITAL BUDGET: The appropriations for capital projects, which comprise the first year of the Capital Improvement Program.

CAPITAL PROJECT: An improvement to City property, which by policy of the Board of Estimates must meet defined criteria.

CITISTAT: An innovative, accountability tool for measuring performance and monitoring the effective use of public resources by major City agencies. Monthly budgetary performance reviews for all major agencies are conducted by the Mayor's CitiStat management team with agency heads being held accountable for expenditure variances and revenue management.

CONDUIT ENTERPRISE FUND: Established to budget for revenue charged private and public entities renting space in the City owned and operated underground conduit system and for operating and capital expenses and reserves for the system.

CONVENTION CENTER BOND FUND: Established in Fiscal 1995 to budget and account for hotel tax revenues to be dedicated to support the payment of principal and interest associated with City indebtedness to finance one-third of the \$150.0 million cost of the joint City-State expansion of the Baltimore Convention Center.

DEBT SERVICE: Principal and interest payments on debt (bonds) incurred by the City.

DEDICATED FUNDS: Includes revenue, which by law, contract or regulation may be used only to support appropriations for specific purposes.

FISCAL YEAR: The time frame to which the annual budget applies. For the City of Baltimore, this period is from July 1 through June 30.

FUND: A sum of money segregated for specific activities. Use of this money requires adherence to special regulations established for each type of fund. The funds identified within Baltimore City's budget are the Capital Fund, Conduit Enterprise Fund, Convention Center Bond Fund, General Fund, Internal Service Fund, Loan and Guarantee Enterprise Fund, Parking Enterprise Fund, Parking Management Fund, Special Fund, Water Utility Fund, and Waste Water Utility Fund.

GENERAL FUND: A central fund into which most of the City's tax and unrestricted revenues are budgeted to support basic City operations and pay-as-you-go (PAYGO) capital projects.

GRANT: A contribution made from either the private sector to the City or by one governmental unit to another unit. The contribution is usually made to support a specified program, function or project.

INTERNAL SERVICE FUND: Established to budget for the financing of goods and/or services provided by certain City agencies to other City agencies or programs on a cost reimbursement basis.

LOAN AND GUARANTEE ENTERPRISE FUND: Established to budget for the self-supporting program of loans and guarantees administered by the Department of Finance pursuant to policies and procedures approved by the Board of Estimates.

OPERATING BUDGET: A plan, approved by the Mayor and City Council, for appropriating funds to agencies for operating costs during the fiscal year.

ORDINANCE OF ESTIMATES: A bill enacted by the City Council, and approved by the Mayor, which gives legal effect to the appropriations included in the annual budget.

OUTCOME BUDGETING: A budget process that aligns resources with results that matter most to citizens. It's a budgeting tool that integrates strategic planning, long range financial planning, and performance management.

PARKING ENTERPRISE FUND: Established to budget for operating and debt service expenses for City financed garages substantially supported by revenues derived from operation of these garages.

PARKING MANAGEMENT FUND: Established to budget for the administration of the City's parking garages and lots, parking enforcement activities and operation of the parking garages and lots financed with General Obligation Bonds.

PAY-AS-YOU-GO (PAYGO): Capital projects funded from current year revenues.

PRIORITY OUTCOMES: Goals established by the Mayor for improving the quality of life for Baltimore's citizens. The current Priority Outcomes are:

Better Schools

Safer Streets

Stronger Neighborhoods

A Growing Economy

Innovative Government

A Cleaner and Healthier City

REVENUE: Income generated by taxes, fines, penalties, notes, bonds, investment income, property rental, user charges, federal grants, state grants, private grants, county grants and miscellaneous services.

SPECIAL FUND: Established to budget for revenues derived from certain state, federal and private governmental grants, and other revenue sources that are restricted to expenditures for specific purposes.

WASTE WATER UTILITY FUND: Established to budget for the operating and capital expenses of the City's sewage facilities.

WATER UTILITY FUND: Established to budget for the operating and capital expenses of the City's water supply system.

NOTES

Mayor Rawlings-Blake's Vision



Grow Baltimore by 10,000 families over the next 10 years



BETTER SCHOOLS



“ To get Baltimore growing again, we need to step-up our game and work together to improve our schools. ”

- Build and renovate schools
- Increase student attendance
- Decrease the dropout rate
- Increase kindergarten readiness
- Boost 3rd grade reading proficiency
- Increase college & career readiness

SAFER STREETS



“ It's time to believe in a safer city and to work even harder because we know the progress is real. ”

- Reduce violent crime
- Reduce property crime
- Improve fire response time
- Improve EMS response time
- Increase perception of safety

STRONGER NEIGHBORHOODS



“ Block by block, we're bringing neighborhoods back to get Baltimore growing again. ”

- Reduce the property tax
- Reduce blight & vacant properties
- Increase neighborhood property investment
- Improve street quality
- Expand neighborhood amenity use
- Increase citizen engagement

GROWING ECONOMY



“ Baltimore is blessed to be home to many assets that serve as engines of economic activity. We will work in close partnership, supporting these engines of growth. ”

- Increase total residents with jobs
- Increase the number of businesses
- Increase tourism
- Increase retail activity
- Improve cultural offering satisfaction

INNOVATIVE GOVERNMENT



“ We will work to make government more efficient and take Baltimore to the next level. ”

- Improve City employee workforce skills
- Improve customer satisfaction
- Reduce energy costs
- Reduce space utilization costs
- Increase City service accessibility
- Promote transparency

CLEANER & HEALTHIER CITY



“ Baltimore's families have a right to clean streets, parks, air and water. We must work together to improve our City's public health outcomes. ”

- Improve City Cleanliness
- Decrease drug & alcohol abuse
- Reduce infant mortality
- Reduce heart disease
- Increase recycling
- Improve water and air quality



STEPHANIE
RAWLINGS-BLAKE
MAYOR