

SUMMARY OF THE ADOPTED BUDGET

Table of Contents

Budgetary Environment

Mayor's Tax Message.....	1
Mayor's Budget Message to City Council	3
Financial and Programmatic Policies	9

Fiscal 2007 Budget Plan

Selected Summary Views - Total Operating and Capital Budget	25
Summary of General Fund Budgetary Trends.....	29
Trends in Total Operating and Capital Budget - Summary	30
Trends in Operating and Capital Budget - Summary by Fund	31
Budgeted Funds - Description of Operating and Capital Funds.....	32
Budgeted Funds - Total and Net Appropriations	33
Major Types of Expenses - Total Operating and Capital Funds	34
Trends in Budgeted Personnel	35
Trends in Full-Time Budgeted Positions - All Funds	36
Trends in Full-Time Budgeted Positions - General Fund.....	37
Past and Projected Budgetary Fund Balances	38

Operating Budget

Where the Money Comes From and How the Money Is Used.....	40
Operating Budget Plan	41
The Children's Budget Expenditures.....	56
Fiscal 2007 Operating Appropriations by Fund	58
Fiscal 2007 Operating Appropriations by Governmental Function and Fund	59
Fiscal 2007 Operating Appropriations by Governmental Function and Agency	60
Fiscal 2007 Operating Budget Compared with Fiscal 2006 Budget and Fiscal 2004 and 2005 Actual Expenditures by Agency, Program and Fund	63
Fiscal 2007 Operating Budget Compared with Fiscal 2006 Budget and Fiscal 2004 and 2005 Actual Expenditures - Summary by Fund	74
Fiscal 2007 Operating Budget Fund Distribution	76
Fiscal 2007 Operating Budget Changes to Permanent Full-Time Positions	84
Fiscal 2007 Operating Budget Changes to Permanent Full-Time Positions - Summary by Fund.....	91
Permanent Full-Time Positions by Agency and Fund (Fiscal 2003 - 2007)	92
Permanent Full-Time Positions by Fund (Fiscal 2003 - 2007) - Summary by Fund	94

Capital Budget

Where the Money Comes From and How the Money Is Used (Fiscal 2007).....	96
Capital Budget Plan Highlights	97
Capital Plan Budgetary Policy.....	99
Where the Money Comes From and How the Money Is Used (Fiscal 2007 - 2012)	100
Capital Projects Impact on Operating Budget	101

Fiscal 2007 Total Capital Appropriations	103
Fiscal 2007 Capital Budget Fund Distribution by Agency Detail.....	104
Revenue Outlook	
Economic Outlook	105
Revenue Forecast — Major Revenues	111
Real Property Tax Expenditures.....	121
Summary of City Real Property Tax Credit Programs.....	125
Property Tax Base and Estimated Property Tax Yield	126
Revenue Detail	
Budgetary Funds - Descriptions and Policies.....	129
Revenue Estimates:	
General Fund (Operating and Capital Budgets)	141
Motor Vehicle Fund (Operating and Capital Budgets)	147
Parking Management Fund (Operating and Capital Budgets)	148
Convention Center Bond Fund (Operating and Capital Budgets)	149
Waste Water Utility Fund (Operating and Capital Budgets)	150
Water Utility Fund (Operating and Capital Budgets)	151
Parking Enterprise Fund (Operating and Capital Budgets)	152
Loan and Guarantee Enterprise Fund (Operating and Capital Budgets).....	153
Conduit Enterprise Fund (Operating and Capital Budgets)	154
Federal Grants (Operating Budget)	155
State Grants (Operating Budget).....	158
Special Grants (Operating Budget).....	160
Debt Service	
Debt Service Overview	165
Schedule of Long Term Debt Service	168
Types of Debt Service Payments	169
Debt Service Expenses and Appropriations by Type and by Fund.....	173
Budget Process and Related Policies	
Budget Process - Calendar	176
Budget-Making Process	177
Fiscal 2006 Supplementary Appropriations and Transfer of Appropriations between Agencies	179
Budgetary and Accounting Basis	185
Operating and Capital Plan Budgetary Control	187
Budgetary Authority and Process - City Charter Provisions	191
Appendix	
Baltimore Profile	201
Major City Agencies Selected Statistics	202
Demographic and Economic Profile and Trends.....	203
Glossary	205
Ordinance of Estimates for the Fiscal Year Ending June 30, 2007	211
Ordinance - Annual Property Tax - Fiscal Year 2007	245
Resolution Concerning Operating Budget for Baltimore City Board of School	

Commissioners for the Fiscal Year Ending June 30, 2007.....	247
---	-----



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Baltimore
Maryland**

For the Fiscal Year Beginning

July 1, 2005
66. 1 .t i tt
4 / teerd-409

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Baltimore, Maryland for its annual budget for the fiscal year beginning July 1, 2005.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communication device.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

Fiscal 2007

Summary of the Adopted Budget

Budgetary Environment

MUNICIPAL ORGANIZATION CHART

THE PEOPLE

COMPTROLLER		MAYOR		PRESIDENT OF CITY COUNCIL		CITY COUNCIL	
BOARD OF ESTIMATES				•			
Cable and Communications	Employment Development	Finance		Fire		Health	
Housing and Community Dev.	Human Resources	Law		Legislative Reference		Municipal and Zoning Appeals	
Office of Info. Technology	Other Mayoral Offices	Planning		Police		Public Works	
		Recreation and Parks		Transportation			

BOARDS, AGENCIES, COMMISSIONS

CHARTER AUTHORIZED			ORDINANCE AUTHORIZED		
Art Commission		Board of Finance	Com. on Aging & Retirement Ed.	Committee on Art and Culture	Commission for Children & Youth
Board of Municipal & Zoning Appeals		Board of Recreation & Parks	Community Relations Com.	Employees' Retirement	Fire & Police Retirement
Board of Fire Commissioners		Civil Service Commission	Historical & Architectural Presv.	Labor Commissioner	Minimum Wage Commission
	Planning Commission		Off-Street Parking	Parking Authority of Baltimore City	Commission for Women

ACTS OF STATE LEGISLATURE

Board of School Commissioners	Baltimore Museum of Art	Board of Elections	Courts: Circuit Court	Courts: Orphans' Court
Baltimore City Public Schools	Enoch Pratt Free Library	Liquor License Commissioners	Sheriff	Social Services
	State's Attorney	War Memorial Commission		

July 2006

Dear Taxpayer,

Baltimore City is moving forward and growing stronger. Violent crime and drug addiction rates are down; development and our children's test scores are up; and Baltimore is becoming a safer, cleaner and healthier place with each passing day.

We have clear evidence that the economic development and financial management strategies of the past six years continue to produce results. In recent weeks, one of the country's three major rating agencies - Standard and Poors - raised the outlook on Baltimore City's bond rating from "stable" to "positive," citing an "improving demographic profile highlighted by a stabilizing population, increasing wealth levels and reduced unemployment." The outlook revision also takes into account "the improved fiscal position of the City's school system." All three agencies emphasized that Baltimore's financial management is strong.

The budget for the Fiscal Year beginning July 1st includes a second straight year of property tax reductions that will save taxpayers an estimated \$95.0 million over the course of five years. In addition to the property tax rate reduction, the City's 4.0% Homestead Credit will save Baltimore City residents an estimated \$39.0 million in Fiscal 2007. For the average homeowner, that equates to approximately \$483 saved on their property tax bill as protection against increasing assessments. This credit reduces homeowners' expense during times of a very active real estate market such as we have experienced over the past few years.

Additionally, the General Fund operating budget for the upcoming Fiscal Year 2007 includes more than \$311.0 million allocated directly to programs that support and provide opportunity for our children, which includes our public schools. This represents approximately an 18.0% increase from two years earlier.

And while there is still much work to be done, I believe that the progress we've made together is evidence that the revitalization of America's big cities is possible...

- Last year, while overall crime increased throughout the United States, Baltimore's murder rate decreased by 2.5% and the violent crime rate fell by 3.6%, according to the FBI.
- Just a few weeks ago, our Health Commissioner reported that deaths related to drug overdoses are at the lowest point we've seen in a decade.
- Since 1999, we've brought \$1.0 billion in new and planned development back to our City.
- After 50 years of flight, Baltimore's population loss is coming to an end, according to U.S. Census estimates.
- High School graduation rates have risen from just 42.0% in 1997 to 60.0% in 2005.
- Frommer's has ranked Baltimore a top- 10 summer travel destination in the world.
- And *The Wall Street Journal*, *USA Today*, *Time Magazine*, *Nightline*, Harvard University and many others have all taken notice of Baltimore's progress in countless articles on our City's revival.

When our citizens invest in the City of Baltimore, they have the right to expect that City government will use that money wisely and demonstrate results. I believe that the improvements we're seeing in every neighborhood offer a clear indication that our residents can feel confident about their investment in Baltimore.

Thank you for supporting our City. And thank you for supporting Baltimore's comeback - it simply wouldn't be possible without your contribution.

Sincerely



MARTIN O'MALLEY
Mayor
250 City Hall
Baltimore, Maryland 21202

April 26, 2006

The Honorable Sheila Dixon, President
And Members of the City Council City
Hall, Room 400
Baltimore, Maryland 21202

Re: Fiscal 2007 Proposed Ordinance of Estimates

Dear Madam President and Council Members:

It is my duty and privilege to submit the Fiscal 2007 proposed Ordinance of Estimates.

Six years ago, we came together around the values that unite, realizing that in our city there is no such thing as a spare American... Understanding that compromise for the cause of progress is a virtue... Believing that we progress as a people not on the weakness, but on the strength of our neighbors.

Together, over these important years, clearly, we have made progress. And thanks to the courage of our neighbors, our city is growing stronger each day. As the Wall Street Journal reported a few months ago:

"Baltimore has fought an uphill battle against urban decay to realize the promise of its 'Charm City' nickname... Now, row houses far from the splashy tourist attractions... are getting a lift from the nationwide housing boom. Strengthening office-property values are following the residential market's lead. 'Baltimore's reputation as a distressed city is changing..."

Public Safety

The foundation of our city's comeback has been improved public safety. And this fundamental progress must continue.

Ten years ago, 20,000 of our neighbors fell victim to violent crime. By 2005, the number of our neighbors falling victim to violent crime had been driven down to about 11,000 – its lowest level in our city since the 1960s.

Ten years ago, 45 children were murdered on Baltimore's streets. Last year, 13 children were murdered in our city – the lowest number in more than two decades. Churches, neighborhood leaders, parents, teachers, our health department and your wise increased investments in after-school and summer jobs, all worked together to achieve that progress.

Public Health

A decade ago, Baltimore was #1 in the country in teen pregnancy. Twelve per cent of all teenage girls in our city were having babies. Last year, it was down to 8.0%, which is still far too high, but we're now at #15. More proof that perseverance pays off in progress.

And we're making progress on addiction – opening a new inpatient drug treatment center this year – as well as infant mortality and childhood lead paint poisoning using the same types of pragmatic public health strategies.

Public Education

Ten years ago, Baltimore's schools were in crisis – a crisis, which in 1997, led to the current City-State partnership, with all its pros and cons.

That year, the high school graduation rate stood at 42.0%. Through hard work, our city's high school graduation rate now stands at nearly 60.0%. We still have work to do, but the path of progress is clear and irrefutable.

In 1999, just 16.0% of our third graders met the state's reading standards. Last year, 61.0% of our third graders met those state standards. And they're part of a rising tide of achievement –with our elementary students citywide scoring proficient in reading and math.

From Deficit To Surplus

And six years ago, "budget surplus" was not a phrase that many of us thought we would utter. Back then, we struggled annually with a persistent structural budget deficit fueled by worsening crime and the resultant population flight.

April 26, 2006

Page 3

In 1999, our Finance Department was projecting a structural budget deficit of \$153.0 million. We faced a seemingly endless string of tough choices.

But together we faced them, and we made them. We also made the right investments. And this year, we will be seeking ways to invest our second straight budget surplus in strengthening our City's future, while we continue to reduce our property tax rate to its lowest level in more than 30 years.

What do Tokyo, London, New York City, San Francisco, Liberia, Belfast and Washington State and New Jersey all have in common? Their governments have all come to Baltimore to see first hand the revolutionary things that our government is doing right with CitiStat... to see why our city government was picked by the Kennedy School at Harvard University as the winner of the Innovations in Government Award... to see why Baltimore was the first government in history to win the Gartner Award for customer service excellence.

Through CitiStat and 311, together, we are relentlessly replacing patronage politics with performance politics. Because of CitiStat we have saved more than \$350.0 million – helping us to turn those deficits into surpluses.

Customer service surveys. Data-measured performance across the array of vital city services. Progress and setbacks measured not just by inputs, but by outcomes. This is the dashboard of management that no prior mayor had at his disposal. And it is the critical new tool that every future mayor of Baltimore will have to drive progress.

And we've used these same methods to rescue the city school system from bankruptcy – turning around a fiscal crisis, with our rainy day fund and performance management systems, that many in Annapolis said was hopeless.

Population Turnaround

The combination of improved public safety and a more transparent, effective and performance-measured City government is making our city a more livable city.

After 50 years of flight – losing, during the 70s, 80s and 90s, about 1,000 people every month –Baltimore's population loss is drawing to an end, according to US Census estimates.

As the Wall Street Journal pointed out – and as Time magazine and Nightline have pointed out –neighborhoods far from the Inner Harbor are now coming back to life... with new homes and new business and new neighbors, committed to our city's safer and healthier future. At long last, the repopulation of Baltimore has begun.

April 26, 2006

Page 4

Economic Growth

Not surprisingly, as Baltimore repopulates, so too is investment rising – with more than \$10.0 billion in new development happening across our city.

Home values have soared from \$69,000 in 1999 to more than \$170,000 late last year – increasing the worth of a family's biggest investment and greatest opportunity for the creation of legacy wealth. But rising values have also given rise to the new challenge of creating affordable housing opportunities.

We are delivering on our shared pledge to ensure that economic growth is an opportunity open to all in our majority minority city. Together we have more than doubled the amount of city contracting and subcontracting with minority-owned companies, from \$45.0 million in 2000, to \$94.0 million in 2005, and we're not done yet. We've increased the percentage of qualifying contracts awarded to MBE companies from just 14.0% in 2000, to 31.0% of eligible contract dollars last year.

After years of bemoaning our thousands of vacant houses, we are taking ownership – waking dead capital through Project 5000. We have taken control of nearly 6,000 properties – with 1,000 already sold, earning the city \$3.3 million. And 2,000 properties will be redeveloped in massive redevelopment projects like Uplands, Barclay, East Baltimore Development Initiative and the University of Maryland BioPark.

Job Growth

We all remember the 1990s as a period of economic growth for our country. With wise investments and fiscal responsibility, the Clinton boom years strengthened the middle class and lifted most of our country. But, during that same decade, while the Baltimore region created 67,000 new jobs, Baltimore City lost 60,000 jobs.

Contrast that with 2005. According to the U.S. Department of Labor, last year, Baltimore created 7,700 new jobs, nearly closing the gap between job growth in the region and job growth in the city.

Those cranes you see in our skyline are also creating jobs. The new neighbors repopulating our City are creating jobs. And the creativity of our institutions of healing and higher education –they are creating jobs in our city.

Conclusion

Our progress has been hard won. When we began this, we understood that it would be difficult. Some in public service run away from tough challenges. Together, we ran into the breach.

April 26, 2006

Page 5


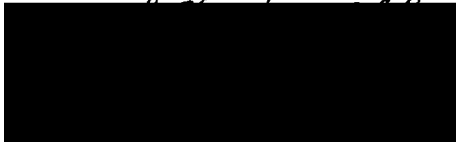
Together, we chose to take responsibility; we chose to exercise what Robert Kennedy called the greatest of freedom's privileges, the privilege to be responsible for our shared future.

We chose to be responsible for making our city safer. We chose to be responsible for making our city cleaner and healthier. We chose to make our city a better place for our children to grow to the fullness of their God-given potential.

Together, we took action based on the revolutionary notion that progress is possible. And we are showing our country and our state what a free and diverse people are capable of achieving in a once struggling city.

I am grateful for your leadership in this endeavor. And, together, we will continue the turnaround of our great American city.

Sincerely,

SUMMARY OF THE ADOPTED BUDGET

Financial and Programmatic Policies

This section presents long-term challenges facing the City, enumerates the Mayor's primary objectives to address these challenges, and outlines the Fiscal 2007 budgetary actions to achieve these objectives. It also presents the major elements of the City's budgetary and related financial policies that provide for effective financial management to support work to achieve the Mayor's objectives to:

- *Make Baltimore a safe, clean city*
- *Increase educational, cultural and recreational opportunities for children*
- *Make government responsive, accountable and cost effective*
- *Strengthen Baltimore's economy by increasing the tax base, jobs and minority business opportunities*
- *Create stable and healthy neighborhoods*

The following sections will highlight key Fiscal 2007 strategies for meeting these objectives.

Objective 1: Make Baltimore a safe, clean city

Crime Reduction

Making Baltimore safer is one key component to increasing Baltimore's population, promoting economic growth, and creating and retaining jobs. In 2005, Baltimore had the lowest total number of crimes and second-lowest number of violent crimes, since 1970, when law enforcement agencies began keeping official records of this information. In 2005, violent crime was reduced 3.6% compared to 2004, and property crime was reduced by 7.8% compared to 2004, resulting in a combined Part I index crime reduction of 6.8%. Compared to 1999, violent crime has been reduced 39.6%, property crime has decreased 40.9%, and overall Part I crime has been lowered by 40.6%.

Safe Zones

In April 2005, the Police Department piloted a community stabilization strategy called the Safe Zone Project in the Western District, and the Police Department has since replicated the program throughout the City. The purpose of the project is to immediately reduce violent crime in a small area, and then to help stabilize a neighborhood so that violent crime remains low after the Safe Zone initiative ends. The immediate crime reduction is achieved by deterring non-residential traffic, redirecting traffic patterns, supplementing street lighting and having a visible uniformed presence on the street. The longer-term stabilization is achieved by having community partners and City agencies conduct extensive outreach in the neighborhoods. Educators, social workers, parole and probation agents, religious leaders, health care providers and civic leaders work with police by going door-to-door, offering assistance and inviting citizens to participate in various community days to demonstrate to criminals that illegal activity is not tolerated in the community.

Each "Safe Zone" has encompassed an area of approximately 10 square blocks, and the initiative lasts for approximately four weeks. In the initial five Safe Zone areas in the Western District, homicides and non-fatal shootings were reduced by 86.0% over a one-year period as demonstrated in the following table. In Fiscal 2006, 20 Safe Zones were created and an additional 20 are planned for Fiscal 2007.

Safe Zone Location	Date of Implementation	Violence Six Months Prior to Implementation	Violence Six Months Since Implementation
Druid Hill/Whitelock	April 11, 2005	1 Shooting 0 Homicides	0 Shootings 0 Homicides
Calhoun/Baker/Stricker	May 12, 2005	5 Shootings 3 Homicides	0 Shootings 1 Homicide
Walbrook/Payson	July 5, 2005	5 Shootings 2 Homicides	1 Shooting 1 Homicide
Westwood/McKean	August 15, 2005	4 Shootings 3 Homicides	0 Shootings 1 Homicide
Penrose/Payson	October 17, 2005	5 Shootings 1 Homicide	0 Shootings 0 Homicides
TOTAL		20 SHOOTINGS 9 HOMICIDES	1 SHOOTING 3 HOMICIDES

Using Technology to Fight Crime

In mid-2005, the Police Department began installation and use of two types of video cameras on City streets, the closed-circuit television (CCTV) and Portable Overt Digit Surveillance Systems (PODSS). The function of the cameras is two-fold: deterrence and detection of crime. The camera programs are supported by a combination of City funds along with Homeland Security and other federal grant funds, asset forfeiture funds, and grant funding from the Abell Foundation. The Police Department determines camera locations based on extensive crime analysis and has experienced a 17.0% reduction in violent crime over a three-year period in areas where cameras have been installed.

The Mayor's Office of Information Technology and the Police Department received an additional \$3.0 million from the Fiscal 2006 surplus to expand the City's CCTV program. This includes the acquisition and implementation of approximately 115 cameras, bringing the total number of cameras to 315. Priorities for Fiscal 2007 include the expansion of the Westside Atrium project to cover east, north, and south of the current coverage area and coverage of the Penn Commuter Rail Line from the Western to Southern Districts.

Other Initiatives

Additional initiatives for Fiscal 2007 geared at making Baltimore a safe and clean city include the following:

- **Homeland Security** — From the period beginning September 11, 2001 through March 2006 the City had spent an estimated \$29.2 million in local funds on homeland security enhancements and initiatives as well as \$23.5 million in federal and State grants. The City has also shared in three Urban Area Security Initiative grants with the five

surrounding counties and the City of Annapolis for \$10.9 million in Fiscal 2003, \$15.6 million in Fiscal 2004, \$11.2 million in Fiscal 2005 and \$9.7 million in Fiscal 2006. All of these funds have been invested in the purchase of protective equipment to be used against chemical and biological terror attacks for first responders, police and fire boats for port security, helicopter video surveillance, closed-circuit television cameras, enhanced security at water and waste water facilities and other equipment and training initiatives.

- **Operation Safe Kids** – The Health Department's Operation Safe Kids (OSK) Program provides intensive case management to high-risk juvenile offenders between the ages of 13 and 18. With supplemental City funding, the program has doubled its caseload capacity from approximately 75 in Fiscal 2005 to 150 in Fiscal 2006 and Fiscal 2007. Since its inception in 2002, OSK has achieved a 33.0% reduction in arrests in participants first year after enrollment, a 44.0% reduction in arrests for violent crimes and a 55.0% job placement rate for eligible youth.
- **Citizen Trash Drop Off** – In addition to its household collections operation, the Department of Public Works provides Baltimore's citizens with five drop-off locations that accept bulk trash items, electronics, other wastes and recyclables free of charge. In order to improve wait times at the locations, the Fiscal 2006 surplus provided \$440,000 to purchase three roll-off trucks to service the collection points and empty the containers more frequently and three new positions are included in the Fiscal 2007 budget for this operation.
- **Cleaning & Boarding of Vacant Homes** – With \$1.0 million in supplemental General Funds from Fiscal 2005, the Department of Housing and Community Development eliminated its backlog for cleaning and boarding service requests, reduced the turnaround time on new boarding requests from 190 days to 21 days, and reduced the turnaround time on new cleaning requests from 60 days to 21 days.

Objective 2: Increase educational, cultural and recreational opportunities for children

Local Contribution to the Baltimore City Public School System (BCPSS)

In Fiscal 2007, the City General Fund includes \$5.6 million more than the State requires that the City contribute for the public schools, with a total direct contribution of \$197.8 million. Since Fiscal 2001, the City has provided a cumulative total of \$32.0 million over and above the required maintenance of effort. Additionally, the budget includes another \$10.1 million for transition services, termination leave and transportation support pursuant to the partnership agreement with the School System, for a total budgeted contribution to BCPSS in Fiscal 2007 of \$207.9 million. Over and above this annually budgeted contribution, the City directly pays the cost of health benefits for retired BCPSS employees (estimated to be \$26.1 million in Fiscal 2007), supports the school health program, funds the schools' crossing guards program, and has made an unprecedented contribution to BCPSS facility improvements, with a total of \$31.0 million allocated from surplus funds in Fiscal 2005 and 2006.

City School Students Post Significant Gains on 2006 Test Scores

The City's elementary and middle school students outperformed Statewide average gains on the 2006 Maryland School Assessment (MSA) for reading in grades three and seven and math in grades three, four, five and seven, according to results released by the Maryland State Department of Education. Across the board, City public school students continue to advance on the MSA with students in grades three through eight making impressive gains in math, and students in grades three, four, five and seven posting gains in reading. More than 65.0% of the third and fourth grade students are proficient or advanced in reading and almost 60.0% of the fifth grade students have reached these levels. Over 60.0% of the third and fourth grade students are proficient or advanced in math and 54.0% of fifth grade students also achieved this ranking.

After School Programs

Over the past year, Baltimore City has succeeded in markedly expanding its school-based after school programs (from approximately a dozen schools to 47) and in initiating the establishment of community schools throughout the City. In Fiscal 2007, \$6.9 million is allocated from the General Fund budget to expand after school program opportunities for City children (\$5.0 million from the Fiscal 2006 surplus, \$412,000 from Fiscal 2005 fund balance and \$1.5 million from the Fiscal 2007 budget). With the help of 21 community-based organizations, 3,300 Baltimore City schoolchildren are now enrolled in the Baltimore Out of School Time (BOOST) Programs where they receive academic support, learn new skills and discover new talents and interests in the arts and athletics.

Moreover, many of these same organizations are now working with the City to establish extended service community schools in Baltimore. Extended service community schools are schools that serve as integrated "one-stop" service centers where local agencies, the community, and the school jointly provide a range of educational and developmental services before, during and after the school day to better address the needs of the school's students and their families.

In addition, the City also contributed to the establishment and operation of 25 Youth Places and 18 A-Teams. Youth Places are community-based after school programs and A-Teams are activity-focused after school programs that connect middle school age youth to artistic, athletic, and academic enrichment opportunities.

During Fiscal 2006, Baltimore City supported the provision of quality after-school programming and opportunities to more than 5,800 of the City's school-age children.

To build on this past year's success, Fiscal 2007 funds will be used to:

- Support the operations of 45 to 50 school-based after school programs (BOOST programs) and 10 to 15 Youth Places and A-Teams; and
- Bolster the establishment and operations of 15 to 20 community schools.

To ensure appropriate program implementation, the City will continue to work closely with representatives of the Baltimore City Public School System, the Family League of Baltimore City and numerous children and youth centered non-profits.

Use of Fiscal 2006 Fund Balance to Further Enhance Services for Children

The Administration proposed an additional \$5.6 million in General Fund supplemental appropriations for Fiscal 2007 from the Fiscal 2006 Fund Balance. These supplemental appropriations were approved by City Council.

- \$1.2 million for the Healthy Start Program, which is designed to reduce infant mortality;
- \$1.0 million to expand prenatal home visiting programs to serve 250-300 of the City's most vulnerable pregnant women;
- \$900,000 to fund the Success by Six Program, a United Way sponsored partnership that strives to increase school readiness and reduce instances of infant mortality;
- \$800,000 for "wrap around services" at the BCPSS, including but not limited to health initiatives, enhanced social work presence and mentoring services;
- \$700,000 to expand the FUTURES Program, a comprehensive drop out intervention program designed to keep City high school students in school through graduation;
- \$500,000 to enhance the mental health services provided at the City schools;
- \$250,000 to support the Experience Corps Program, which places senior volunteer mentors in City schools; and
- \$200,000 for the Baltimore Education Network (BEN), an advocacy group focused on guaranteeing that City children receive the highest quality education.

Other Initiatives

Additional initiatives for Fiscal 2007 to enhance educational, cultural and recreational opportunities, especially for children, include the following:

- **Summer Jobs for Youth** – The Fiscal 2007 Ordinance of Estimates provides \$2.5 million for the Summer Jobs Program (\$1.3 million in the Fiscal 2007 budget and \$1.2 from the Fiscal 2006 surplus). Approximately 5,500 youth ages 14-21 will be employed in a variety of public and private sector settings, including City agencies and local nonprofit organizations or special community-based projects.
- **Youth Opportunity Program – YO! Baltimore** – The Fiscal 2007 Ordinance of Estimates includes \$3.0 million to support the Youth Opportunity (YO!) Program, previously funded through federal grants, which expired at the end of Fiscal 2006. The program connects vulnerable teens to a full menu of academic, employment, and personal/social development skills to put them on a positive track. More than 1,000 out of school and out of work youth will participate in the program this year.
- **Creative Baltimore Fund** – The Fiscal 2006 surplus provided \$750,000 to the Baltimore Office of Promotion and the Arts for the Creative Baltimore Fund. This fund will enable Baltimore based non-profit art, culture and heritage organizations to offer free admission to attractions, programs, workshops, classes, performances and special events in Fall 2006. The goal is for these organizations to expand their outreach to families, young adults and other traditionally undeveloped audiences.
- **Free Fall Baltimore** – With the help of \$400,000 in City funds, the Baltimore Museum of Art and the Walters Art Museum will be offering free admissions year-round beginning October 2006 through September 2007, thereby eliminating economic barriers for all visitors. The City contribution will be matched 3 to 1 by contributions from the

region's county governments and the private sector resulting in a total cultural investment of \$1.2 million.

Objective 3: Make government responsive, accountable and cost effective

CitiStat

CitiStat is Baltimore's signature management initiative, a Citywide program designed to utilize intensive performance measurement of the major municipal agencies and achieve real time sharing of data to propel the Mayor's agenda and bring about operational cost savings, revenue enhancements and improvements in the quality of municipal services. In short, CitiStat is how Baltimore's government is managed: strategies are developed and employed, managers and workers are held accountable and results are measured—not yearly, quarterly, or monthly, but week-to-week.

Agency heads and their management teams attend CitiStat meetings every other week where they are questioned by a panel of Administration officials. Before each meeting, agencies submit reports that include a wide range of data measures and indicators recounting current and historical performance. This information is then juxtaposed against data from the City's 311 professional call center, an entity set apart from the government's operating departments and charged with independently managing the intake of citizen service requests. This universe of data is reviewed and translated into a series of charts, graphs, and maps that serve as a visual backdrop to the sessions, where agencies' performance is examined in close detail. CitiStat reports are available to the public via the City's website (www.baltimorecity.gov/news/citistat).

CitiStat has established a culture of accountability and created a framework within which the policy, operational and financial impacts of critical decisions can be rapidly evaluated. CitiStat also serves as a mechanism to monitor the implementation of the Administration's most important initiatives and to ensure the coordination of all stakeholders.

Managing Health Benefits Costs

The implementation of changes to employee and retiree cost sharing for health benefits during Fiscal 2004 was a major step in an overall strategy for City government to act responsibly and live within its means. These changes, which have resulted in an estimated savings of \$32.0 million per year across all City Funds, included increased premium cost sharing, increased prescription drug co-pays and increased co-pays for certain specific services provided under the City's plans. This action became necessary because of the continued escalation of health care cost and the desire of the City to be able to offer an adequate health care program. Even with these changes, the City's health benefits remain competitive with other employers across the region and the country.

Reigning in Worker's Compensation Costs and Enhancing Employee Safety

For the first time in the Fiscal 2006 budget, annual Worker's Compensation costs were allocated to all City agency budgets. The initiative was meant to further the goal of holding individual agencies more accountable for their Worker's Compensation expenses. The goal is to provide an incentive for agency heads and managers to implement safety initiatives and other means of reducing the occurrence and severity of employee injuries.

Also, the City has greatly enhanced the administration of its Worker's Compensation program by outsourcing the claims management and employee health functions that were previously handled in-house and by holding managers throughout City government accountable for the timely reporting of claims and for the occurrence of on-the-job injuries in the first place. Accomplishments to date include:

- A reduction in the number of Worker's Compensation claims filed by 22.0% in Fiscal 2006 compared to four years earlier (4,905 claims in Fiscal 2002 vs. 3,816 in Fiscal 2006);
- A 66.0% reduction in the incurred costs for those claims (as of June 30th of each year) or \$29.0 million;
- An increase in the percentage of claims that were reported to the claims administrator within five days from the date of incident from 50.0% in Fiscal 2004 to 77.0% in Fiscal 2006; and
- A reduction in the total inventory of open claims from more than 25,000 claims in July 2002 to only 3,703 by the end of Fiscal 2006.

Building Adequate Reserves/Budget Stabilization

The positive outcome of effective financial management is evident in the City's General Fund balance position, which continued to improve substantially through Fiscal 2005 (audited financial statements for Fiscal 2006 are not yet available). At June 30, 2005, the City's Budget Stabilization Fund had a balance of \$65.7 million, up from \$17.3 million in Fiscal 1999. When combined with the undesignated unreserved fund balance of \$10.1 million, the total of \$75.8 million comprises about 6.8% of General Fund revenues (up from 2.7% in Fiscal 1999), a major step to strengthen the City's balance sheet.

Hard work, smart management decisions, and discipline continue to be required in order to manage the City's financial challenges, but the outlook is relatively positive. The City finished its second consecutive year with a significant budget surplus. Additionally, in May 2006 Standard & Poor's raised Baltimore City's outlook from stable to positive, affirming that the City is on the right course and that the City's economic development and financial management strategies are working:

"...its [the City's] continued improvement in key economic indicators is improving credit quality. This combined with the City's historical financial performance and position and low debt levels, could lead to the rating rising to the lower end of the AA category within a few years."

Objective 4: Strengthen Baltimore's economy by increasing the tax base, jobs and minority business opportunities

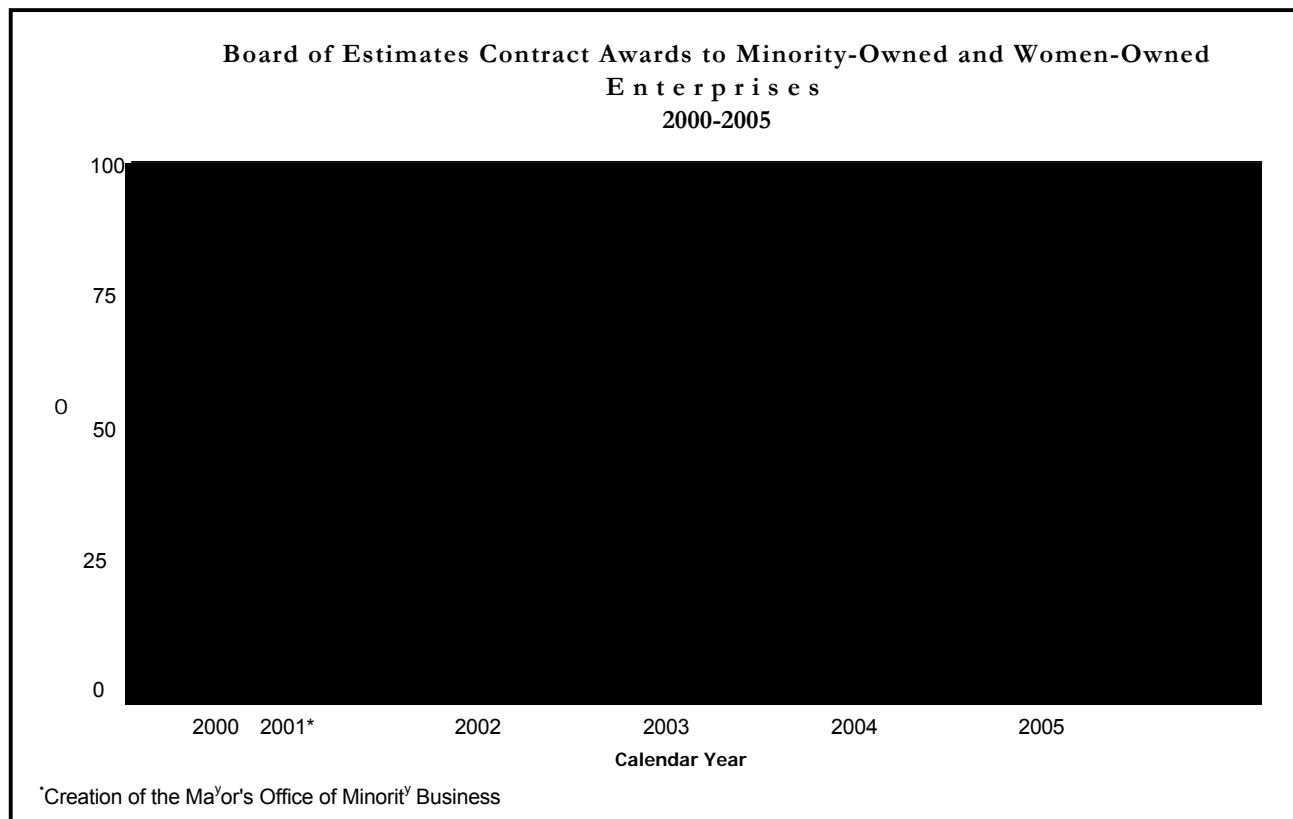
Reduced Property Tax Rate

The Fiscal 2007 budget reflects the second straight year of property tax reduction, reducing the rate an additional two cents from \$2.308 in Fiscal 2006 to \$2.288 in Fiscal 2007. The savings to

the taxpayer from this reduction is estimated to be \$11.1 million in Fiscal 2007. The cumulative impact over the two years of tax reduction amounts to \$15.9 million. The Fiscal 2007 tax rate will represent the lowest City property tax rate in the past 35 years. If the City continues with the next three years of this five-year property reduction plan, it is estimated that taxpayers will save a total of \$95.0 million cumulatively over the five-year period.

Minority Business Opportunities

The Mayor's Office of Minority Business Development was established in April 2001 with a stated mission of creating wealth through business opportunities for minority-owned and women-owned firms. As a result of the Administration's efforts, Board of Estimates contract awards to minority-owned and women-owned businesses more than doubled from \$44.7 million in 2000 to \$94.3 million in 2005. In this time, the City has awarded 92 contracts of \$1.0 million or more to minority-owned and women-owned businesses. More importantly, a large number of minority-owned and women-owned enterprises are developing equity stakes in major development projects in the City. Four major construction projects with a total development cost of \$174.0 million have had a minority business enterprise equity ownership interest of more than half since 2000. Currently, more than half (53.0%) of Baltimore Development Corporation (BDC) projects receiving support from the City include minority ownership.



East Baltimore Development Initiative (EBDI)

The City, through East Baltimore Development, Inc. (EBDI), is working to create a privately owned biotechnology center north of Johns Hopkins Medical Institutions and revitalize the

surrounding neighborhoods through the construction and selective renovation of homes and commercial properties. This is expected to create 8,000 new jobs and construct over 2,000 new and rehabilitated housing units. The strategy is to simultaneously develop a new biotechnology building and to rehabilitate vacant substandard homes in surrounding neighborhoods to create a mixture of new and restored properties for a mix of family incomes north of the biotechnology center. The Fiscal 2006 General Fund surplus provided \$3.0 million for demolition in the EBDI area.

Project 5000

In Fiscal 2006, the Department of Housing and Community Development (HCD) completed its acquisition of more than 5,000 properties through Project 5000 and offered over 700 of them for development through competitive solicitations. Building on the success of the Project 5000 initiative, HCD plans to acquire an additional 2,000 properties in Fiscal 2007. These properties will complement the existing inventory of City-owned properties to enhance development opportunities in key areas including Poppleton, Station North, Park Heights and East Baltimore Development Initiative perimeter neighborhoods.

Job Development

The Baltimore Development Corporation's (BDC) mission is to stabilize and expand the City's job base by retaining existing City-based employers, helping them grow and recruiting new employers to the City. In Calendar 2005, BDC directly assisted 101 small, medium and large companies, accounting for 2,320 jobs retained and created. Since 2000, BDC has assisted over 525 businesses and development projects, resulting in the retention and creation of just under 30,000 jobs. On average, 84.0% of the businesses and projects assisted by BDC in any given year are outside of downtown in Baltimore's industrial areas, retail districts and neighborhoods.

Objective 5: Create stable and healthy neighborhoods

Fiscal 2006 Supplemental Funding for Neighborhood Initiatives

The Fiscal 2006 General Fund surplus provided supplemental funds towards the implementation of a number of initiatives to strengthen Baltimore's neighborhoods during Fiscal 2007. Included among these initiatives are:

- **Park Heights Master Plan** – \$6.0 million in supplemental funds are approved for the implementation of the Park Heights Master Plan, which represents a collective multi-agency effort to plan the revitalization and renaissance of the Parks Heights neighborhood. The funds in the first phase of the plan will be used for blight elimination activity, particularly in a ten-block area that is almost entirely vacant, home improvement incentives in the form of forgivable loans and seed money for human and social service projects.
- **Healthy Neighborhoods** – \$1.0 million in supplemental funds are approved to expand the Healthy Neighborhoods Initiative (HNI), which is an effort of area foundations and the City to invest strategically in targeted blocks within certain neighborhoods. Special purchase-rehabilitation mortgages and home improvement loans are available for properties on HNI blocks.

- **Demolition Activities** – \$1.0 million in supplemental funds are approved for demolition on 15 blocks throughout the city that consist of completely vacant structures along with \$3.0 million to support demolition activities in the EBDI and another \$1.0 million for demolition of the Lutheran Hospital building by the Coppin State campus, which has been vacant for 16 years. This is in addition to \$3.1 million allocated for demolition in the Fiscal 2007 capital budget.
- **New Southeast Anchor Library** – Construction is underway on the first new library in Baltimore City in more than 30 years, expected to open in Spring 2007. The new library replaces the Highlandtown branch and will have a significantly larger collection, more convenient service hours and space for public programs and meetings not available at the present branch. The Fiscal 2006 surplus provided \$250,000 for the purchase of books and materials.

HIV Early Detection

The City continues to increase the amount of local funds invested in HIV/AIDS prevention and outreach. With the support of \$300,000 in supplemental appropriations from the Fiscal 2006 General Fund surplus as well as \$700,000 in additional funding in the Fiscal 2007 budget, the Health Department is launching a new laboratory testing system that uses HIV RNA screening to detect HIV infections within days or weeks after they occur. HIV RNA tests can detect the presence of the virus itself among people who have not yet formed antibodies and who will falsely test negative with traditional antibody testing. This early identification, when a traditional blood test would indicate a false negative result, is a public health opportunity to improve HIV detection and prevention strategies. Early estimates suggest that detection of early infection may avert up to 25.0% of subsequent HIV transmission, with possibilities for even greater prevention impact from a population with a high prevalence of HIV infection, such as Baltimore City. The Health Department, through its five public clinics, field outreach efforts, and mobile programs, performs over 16,000 HIV tests annually.

Buprenorphine Pilot Initiative

The Fiscal 2006 surplus provides \$250,000 for the Health Department to initiate a pilot program using buprenorphine as an alternative for drug treatment. Buprenorphine is a drug similar to methadone but has the potential for wider prescription. As with methadone, research and expert consensus indicate a high success rate among heroin addicts, with about one-half of the participants in research trials remain abstinent from heroin for at least six months after the start of treatment. Buprenorphine is not a substitute for methadone, but it presents an incredible opportunity. It challenges Baltimore City to expand access to drug treatment by calling on its comprehensive medical system. The \$250,000 will be utilized to educate physicians about buprenorphine, to utilize patient insurance for prescription of the drug, and to explore ways to make buprenorphine treatment in primary care affordable for potentially thousands of city residents.

Senior Centers

The Fiscal 2006 surplus provides \$1.1 million in capital funding for the ZETA Senior Center. These funds will be used to complete the funding for the construction of an 11,000 square foot senior center in the Howard P. Rawlings Community Building. It is projected that this center

will serve up to 300 people on a daily basis and provide nutrition, legal and tax advice, medical and health insurance workshops, physical fitness, skills development, trips and lectures.

Office of Neighborhoods

The Mayor's Office of Neighborhoods, created under the O'Malley Administration, works to ensure that city government is an effective partner with communities by facilitating interdepartmental responses to neighborhood needs and initiatives in a timely and well-coordinated manner. As a result of its success in this area, the Office helped the Administration win recognition as the 2005 recipient of the National Association of Counties' (NACO) Multicultural Diversity Award for extraordinary outreach to ethnic communities.

KEY BUDGETARY AND FINANCIAL POLICIES

The establishment of clear objectives to align budget planning and ongoing agency operations to address the long-term issues and concerns confronting the City fails unless supported by sound fiscal management policies. This section presents major budgetary and financial policies that frame annual budget plan development and implementation. Many supporting policies (payroll, purchasing, retirement, etc.) are not summarized here.

Operating and Capital Budget Policies

Fundamental budget policies are set forth in the City Charter. See Budgetary Authority and Process - City Charter Provisions in Budget Process and Related Policies section.

Balanced Budget: The Charter requires a balanced budget. A difference between revenues and total expenditures is to be made up by adjusting the property tax rate or new revenues.

Public Hearings: The Charter mandates that the Board of Estimates and the City Council conduct public hearings on the proposed budget.

Timely Adoption: The Charter schedule requires budget adoption before the fiscal year begins.

Budget Amendment: The Charter provides means for adopting supplemental appropriations funded from unanticipated revenues and/or new grants and sources that materialize during the year. The City's policy is to minimize the use of supplemental appropriations. In addition, the Charter allows for and spells out the procedures for amending the budget to transfer appropriations between programs within an agency and between agencies. See Fiscal 2006 Supplementary Appropriations in the Budget Process and Related Policies section for more information on budget amendments.

Budget Monitoring and Execution: Budget analysts maintain ongoing contact with agency fiscal officers in the process of implementation and execution of the budget. Expenditure and revenue projections are developed and reviewed on a monthly basis. The Mayor, through the Finance Department, exercises appropriate fiscal management to adjust budget policy *as necessary* to live within the limits of the current adopted plan. The City Council has the practice of reviewing budget performance at mid-year, during the budget development period in the fourth quarter and during the normal course of hearings on supplemental appropriations.

Six-Year Capital Plan: Guiding the physical development budget plan is the Charter requirement for a six-year capital improvement plan, the first year comprising the capital budget year. The plan is prepared in conformance with basic capital budgeting policies, which include appropriating funds in the *year* in which projects are likely to begin, financing a portion of capital improvements from current revenues and estimating the impact of capital projects on the operating budget. See Capital Plan Budgetary Policy in Capital Budget section for more information on Capital Budget policies.

Financial Forecasting Policies

The City does three-year revenue and expenditure forecasts for governmental funds. The forecast is reviewed and updated at least twice a year. The multi-year forecast provides the basis for establishing budget targets and resource allocation to meet the Mayor's budget priorities.

Competitive Reengineering, Organization Redesign Policies

The ongoing effort to achieve cost reductions to fund operations within the limits of available revenue requires elimination of non-value added expenditures and other reductions in spending. Reductions have been achieved through a variety of means including the CitiStat program, consolidation and reorganization of agencies, staffing reductions through attrition and from time to time layoffs, privatization as appropriate, transfer of certain functions to the State and other methods. There has been a significant reduction of over 60.0% in General Fund staffing levels (exclusive of education, police and fire) over time. This has resulted in a long term reduction in employees relative to the City's population. See the tables on Trends in Budgeted Personnel in the Fiscal 2007 Budget Plan section for staffing level trend details reflecting reengineering and cost containment effort.

Reserve Policies

Budget Stabilization Reserve: In 1993, the Budget Stabilization Reserve or Rainy Day Fund was established. The fund is designed to provide some General Fund budgetary flexibility should material funding shortfalls occur. Contributions are made as necessary to the fund in order to achieve and maintain a balance equal to at least 5.0% of General Fund revenues. The Budget Stabilization Fund had a \$65.7 million balance at June 30, 2005. In Fiscal 2004 the City made a loan to the Baltimore City Public School System in the amount of \$42.0 million from the Budget Stabilization Account. The last payment on this loan by the School Board was made in March 2006 and the funds deposited into the Budget Stabilization Reserve Fund bringing the total up to \$73.7 million. The City continues to make annual contributions to the Budget Stabilization Reserve Fund. The Fiscal 2007 budget includes another \$800,000 for the fund.

Undesignated Unreserved Fund Balance: The Charter places a limit on the size of the undesignated unreserved portion of the General Fund balance, requiring that any amount in excess of 1.0% of revenues be applied to reduce required capital borrowing. This restriction has placed the City in a relatively poor position compared to other large cities and works against the City's interest in achieving sound financial practices. The Charter permits only a small \$1.0 million annual contingency appropriation. With narrow reserve margins, it is essential for the City to have conservative budgeting estimates and plans. The preliminary Fiscal 2006 year-end undesignated unreserved General Fund balance is estimated to be about \$12.0 million.

Financial Reporting Policies

Budget, Accounting and Borrowing: The City has received the Government Finance Officers Association (GFOA) annual award for Excellence in Financial Reporting for over 20 years and the Distinguished Budget Presentation award each year applied for since Fiscal 1988. The Consolidated Annual Financial Report is prepared in conformance with the Governmental

Accounting Standards Board requirements. The City annually prepares the required full disclosure statements to comply with Securities and Exchange Commission requirements, provides fully descriptive notes in its annual financial report and disclosure statements and secures an unqualified independent audit report.

Debt Policies and Credit Rating

In 1990, the City adopted a formal debt policy which sets forth annual borrowing limits, consolidation of all financing arrangements within the Department of Finance, refunding and refinancing policies and limits on key debt management ratios. See Debt Service Overview section for detailed discussion. In the development of the annual borrowing plan, the effects of debt on key ratios outlined in the policy are updated and analyzed. The objective is to maintain the City's reputation in the credit rating community as having a conservative approach to all aspects of debt management including debt service expenses, debt retirement schedules and debt capacity ratios. The policy recognizes the fundamental role that debt has in the effort to maintain or improve the City's credit rating. The City's current credit ratings are A 1 with Moody's, A+ with Fitch's and A+ with Standard & Poor's with a positive outlook. The City prepares an annual debt report, semi-annual multi-year debt service projections and periodic debt affordability analysis.

Cash Management and Investment Policies

The City's cash management and investment policy adopted in July 1995 covers investment objectives, types of investments, delegation of authority to invest, internal controls and reporting requirements. The City operates on a pooled cash basis and maintains a tiered portfolio containing a pyramid of investments with a long-term base and short-term top, in order to maximize and stabilize returns. The City has maintained a ratio of current assets to current liabilities greater than 1.0 since 1989 (a ratio of less than 1.0 being considered a fiscal stress warning sign).

Self-Insurance Policies

The City, through its Office of Risk Management, has a comprehensive program of risk exposure identification, evaluation, control and financing. The City is self-insured in the area of casualty and property losses, including the uninsured portion of City buildings and contents, worker's compensation and employers' liability, employees' and retirees' health insurance, third party general liability and automobile liability losses. To the extent possible, the City plans to address concerns about risk management reserves by making additional appropriations and by adjusting agency premiums to help provide adequate funding. The Fiscal 2007 General Fund budget includes an additional \$5.7 million for worker's compensation costs.

Fiscal Policies for Economic Development

The Comprehensive Economic Development Strategy plan submitted to the State in 1999 sets forth economic development goals, objectives and priorities. This plan was consistent with "PlanBaltimore," the comprehensive master plan for the City's development over the next 20 years. A primary goal of the economic development plan is to attract more job generating

businesses to the City. To that end, the City has developed a variety of development incentives including loans and grants. In the last 10 years the City has expanded the incentives to include tax incentive programs. The budget plan estimates and reports on one type of tax expenditure, property tax credits. The budget document also contains legislatively mandated cost and benefit analysis on tax credit programs (see Summary of Tax Expenditure discussion and City Real Property Tax Credit Programs in the Revenue Outlook Section for property tax credit expenditure program descriptions). The City is committed to perform consistent and thorough analysis of the cost and benefit of its growing package of incentive programs.

Fiscal Stability Policies

One-Time Revenues/One-Time Expenditure Savings: The City policy is to use one-time windfall revenues and expenditure savings for one-time expenses. For instance, the Fiscal 2007 budget plan increases funding for one-time Pay-As-You-Go capital projects from \$3.5 million in the previous fiscal year to \$14.0 million.

Short Term Borrowing: The City Charter prohibits the creation of any short term debt to finance current budgetary operations except for the issuance of tax/revenue anticipation notes to be redeemed in the same fiscal period.

Employee and Retiree Benefits Program Costs: Because total employee compensation costs are the largest share of the City's expenses, it is absolutely essential that options to control costs of employee benefits be examined. The City has an ongoing joint labor-management Health Insurance Committee. Certain recommendations made by the committee are subject to bargaining processes with employee groups. In addition, the Fiscal 2007 budget includes \$3.9 million to begin funding the GASB 45 rule change for Other Post Employee Benefits (OPEB).

Lobby for Increased State Aid: Special needs as an historic urban center require an ongoing lobbying program for increased State Aid targeted particularly for the school system, courts; crime reduction efforts, substance abuse treatment and economic development programs.

Budget Emergencies: The City Charter provides a mechanism for the Finance Department, under guidelines approved by the Board of Estimates, to establish expenditure schedules or strict budgetary allotments when warranted by financial conditions. In addition, the City Charter permits the budget to include up to \$1.0 million in General Fund appropriations as a contingent fund for emergencies.

Assumption of Grant Program Costs: The City's general policy is to terminate grant programs when federal and State funding is terminated. In recent years, limited exceptions to this policy have been made. In the area of crime fighting and prosecution of crime, the City General Fund has absorbed certain grant expenses in the Courts, State's Attorney and Police agencies.

FISCAL 2007 SHORT-TERM BUDGET POLICY AND PREPARATION GUIDELINES

Development and review of the Fiscal 2007 budget requests were conducted in the context of more favorable revenue projections than in prior years. Increases in real property assessable base and real estate activity associated with the recordation and transfer taxes contributed to this strong position. Agencies received the following policy guidelines for use in the construction of their Fiscal 2007 budgets:

Targets – Agencies were given target levels to build budgets reflecting resource limitations.

Cost Reductions/Expenses to Meet Targets – Agencies were instructed to eliminate all costs associated with position abolishment required to meet targets. Since salary savings were not to be increased to meet the required budget target level, positions had to be abolished.

Competitive Reengineering/Privatization – Agencies were encouraged to develop additional plans for use of private sources to achieve budgetary cost savings.

Elimination of Grant Programs – With the exception of federal funding for additional public safety officers, where grants require the City to phase in local support for additional police personnel, agencies were instructed to phase-out programs where grant funding was terminated.

Fleet and Fringe Benefits Charges – Agencies were instructed to maintain prior year budget levels for fleet costs. Fringe benefit costs factors were developed for agencies.

General Fund Personnel Freeze – Agencies were directed to abolish General Fund positions equal in number to any requests for new positions.

OTHER FINANCIAL POLICIES AND PRACTICES

Development of the annual budget plan is guided as well by other policies and practices set forth in the City Charter, federal, State and local law, action of the Board of Estimates, procedures established for budget planning, implementation and control and related accounting practices. Policies and practices are discussed in the following sections of this document.

<u>Items</u>	<u>Page</u>
Budgetary Policy - Capital Budget	99
Capital Project Impact on Operating Budget	101
Budgetary Funds - Descriptions and Policies	129
Debt Service - Debt Service Overview	165
Budget-Making Process	177
Budget Amendments - Supplementals and Transfers	179
Budgetary and Accounting Basis	185
Operating and Capital Plan Budgetary Control	187
Budgetary Authority and Process - City Charter Provisions	191

Fiscal 2007

Summary of the Adopted Budget

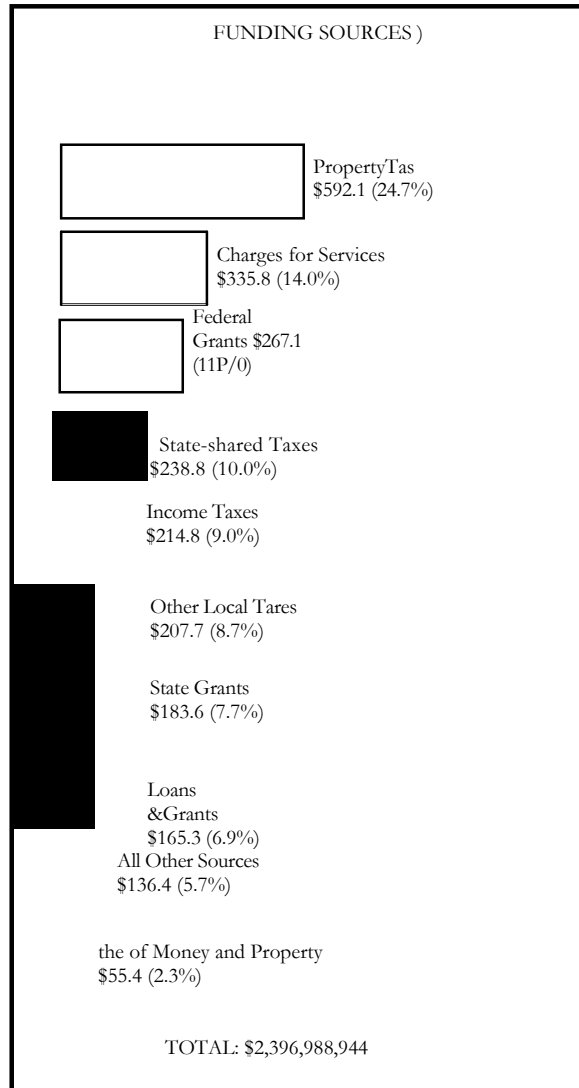
Budget Plan

FUNDING SOURCES AND EXPENDITURES BY FUNCTION

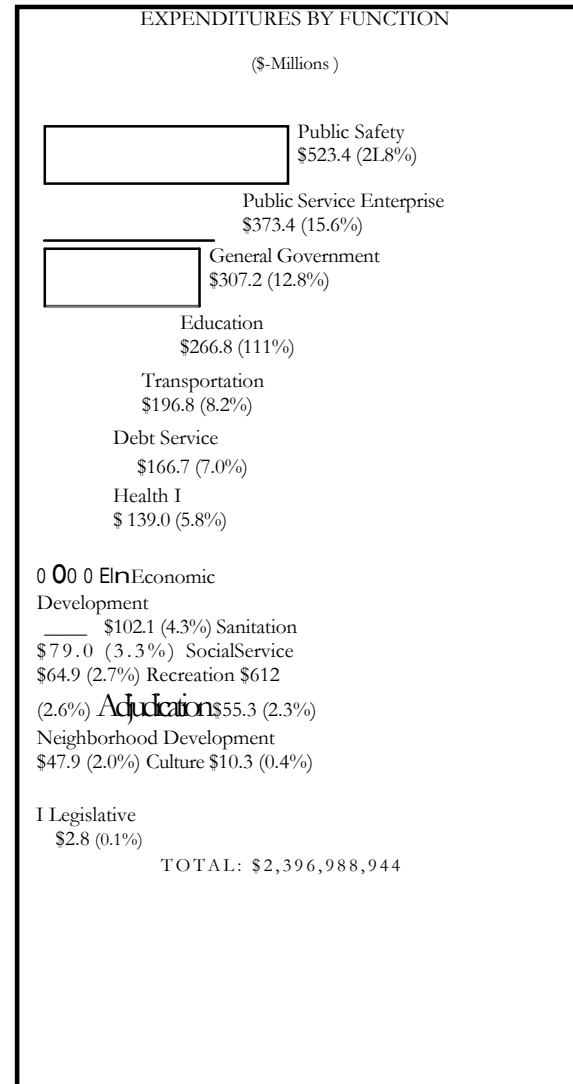
TOTAL OPERATING AND CAPITAL BUDGET

The graph below shows property taxes as the single most important revenue source, accounting for nearly one-quarter of all City revenue and funding sources.

The graph below reflects the City's priority concern for public safety and education which together account for about one-third of all expenditures.



Cross Reference: For additional information on the major revenue sources, see the "General Fund Revenue Forecast" and "Budgetary Funds -Description and Policies" sections.



Cross Reference: For additional information on the functional expenditures by agency, see the "Operating Appropriations by Governmental Function and Agency" and "Capital Budget Fund Distribution by Agency" sections.

Note: May not add to total due to rounding.

FISCAL 2007

SUMMARY OF THE ADOPTED BUDGET

Selected Summary Views — Total Operating and Capital Budget

Introduction - Summarizing the Budget Numbers

The total Fiscal 2007 appropriation plan adopted by the City Council and approved by the Mayor is \$2.4 billion. Throughout this document there are numerous tables and graphics providing different views and levels of detail regarding the budget. There are various ways to look at a budget – function, agency, program, activity, funding source, expenditure category, etc. This section gives the reader a quick overview of what the operating and capital appropriation numbers mean. It summarizes the expenditures by function that elected local policymakers have approved. In addition, it summarizes the estimated resources available to pay for the plan.

Quick View - Major City Functions and Funding Sources

The bar chart on the opposite page gives a concise view of Baltimore City's budget. The \$2.4 billion budget is supported by several major funding sources. The property tax, federal and State Aid and charges for services (like water and waste water) comprise about 64.6% of the funding sources. The largest expenditure is for public safety (police and fire), followed by public service enterprises (principally water and waste water services) and the public schools. Combined, these three functions represent over half the total budget. Functional detail by agency and fund is found in the Operating Budget section Appropriations by Governmental Function and Fund tables.

Trends in the General Fund - The City's Primary and Largest Fund

The graph, Fiscal 2007 Summary of General Fund Budgetary Trends, is designed to answer some of the most commonly asked questions about the City's major fund – the General Fund. *For instance, what are the trends in staffing levels and how does the City's staffing level compare to the City's population?* Staff level has been fairly constant in recent years. However Fiscal 2007 staffing has increased, shown in the Summary of General Fund Budgetary Trends table. This does not reflect a large increase in staffing, but rather is due to the cut backs in state and federal funding for high priority programs, and the City's decision to absorb these positions in the General Fund rather than eliminate these programs.

In Fiscal 2007 the City transferred 244 positions to the General Fund that would otherwise have been abolished. Of the 244 transferred positions, 193 are in the Housing and Community Development Department for housing inspections, 30 are in the Mayor's Office of Employment Development for the Youth Opportunity and Ex-Offender programs, 14 are in the State's Attorney's Office for the District Court Community Services activity and 7 positions are in the Health Department in the Men's Health Center. Forty-two positions were moved from the Motor Vehicle Fund to the General Fund due to the transfer of the Removal of Fire Debris, Removal of Eviction Chattel and Graffiti Removal activities to the General Fund in the Department of Public Works. An additional 55 positions were created in the General Fund to provide additional prosecutors in the State's Attorney Office and other needed positions in other City agencies. The

newly created General Fund positions are a response to increasing demand for City services in the areas of crime, housing, health and youth programs.

Trends in the Budget

The tables, Trends in Total Operating and Capital Budget – Summary, Trends in Combined Operating Budget and Capital Budget – Summary by Fund and the two tables showing Operating and Capital separately display trends in the budget plans comparing Fiscal 2005 actual expenditures to the 2006 and 2007 budgets. _In addition, budget to budget changes are shown for each of the funds.

How the Budget is Structured - The Budget Funds

The narrative and table, Budgeted Funds: Total and Net Appropriations, on these two pages give the reader a quick understanding of the budgetary funds that comprise the total City budget. Funds are distinct groups of revenues and expenses that must be separately identified, planned and accounted for by law or for management purposes. The most important fund is the City's General Fund. It contains all local taxes paid by City residents, businesses and visitors (property, income, hotel, and other taxes). The General Fund is the fund over which policymakers have the most management discretion in order to implement service changes, improvements, cost savings and increase or lower tax burdens. The table, Trends in Budgeted Personnel, provides the reader with a summary view of all budgeted funds. Detail on the funds may be found in the "Budgetary Funds – Description and Policies" section.

Major Types of Expenses

The narrative and graph, Expenditures by Object, are designed to answer one of the most commonly asked questions regarding how the budgeted money is spent. It describes the objects of expenditure in the budget. Salary expenses for personnel and related benefits comprise the largest portion of expenses – 40.0%. Many City services are labor intensive operations (fire, police, sanitation and libraries, for instance). On the other hand, the City spends comparatively little on materials, consumable supplies and equipment.

Trends in Budgeted Personnel - Major Changes in City Operations

The narrative on this page describes a number of the actions taken over the past years to control the major public service expense, personnel and the results. The narrative includes a statement of the strategies used and a sample listing of actions taken to privatize services and transfer functions to the State. These actions have resulted in material reduction to the size of the City's workforce.

Trends in Full-Time Budgeted Positions - All Funds

In Fiscal 2007 the City has transferred 295 positions to the General Fund that would otherwise have been abolished. Of the 295 transferred positions, 198 are in the Housing and Community Development Department for housing inspections, 30 are in the Mayor's Office of Employment Development for the Youth Opportunity and Ex-offender Programs, 14 are in the State's Attorney's Office for the District Court Community Services activity and 7 positions are in the Health Department in the Men's Health Center. Forty-two positions were moved from the Motor Vehicle Fund to the General Fund due to the transfer of the Removal of Fire Debris, Removal of Eviction Chattel and Graffiti Removal activities to the General Fund in the Department of Public

Works. An additional 55 positions were created in the General Fund to provide additional prosecutors in the State's Attorney Office and other needed positions in other City agencies. The newly created General Fund positions are a response to increasing demand for City services in the areas of crime, housing, health and youth programs.

Trends in Full-Time Budgeted Positions - General Fund

The General Fund is the primary fund that elected policymakers can manage to affect change in local tax and spending policy. The table and graph on this page present long-term trend information on General Fund staff levels. Nearly all agencies have experienced staff reductions except the Police Department where employment levels have been increased substantially both recently and over the long term. The table documents the trends that result from the objectives of reducing overall staff size while improving public safety services.

Past and Projected Budgetary Fund Balances

The City Charter and sound financial management require a balanced budget. It is essential to estimate the effect of current operations on the City's balance sheet. The table on page 38 starts with the June 30, 2005 audited budgetary fund balance for principal operating funds and projects the effect of current and coming year operations on these balances. The graph depicts General and Motor Vehicle Fund balances. An upward trend in fund balance is generally a positive measure of performance, as long as the balance is not excessive. A downward trend may signal a need for management analysis and subsequent action by elected policy makers to alter policies. This positive trend allows for continued progress towards meeting the Budget Stabilization Reserve Fund target.

F I S C A L 2 0 0 7
SUMMARY OF GENERAL FUND BUDGETARY TRENDS

Total Authorized General Fund Positions			04	Actual	8,980
			05	Actual	8,870
			06	Budget	9,042
			07	Budget	9,383
General Fund Positions (per 1,000 pop.)		04 Actual	14.0		
		05 Actual	13.8		
		06 Budget	14.2		
		07 Budget	14.8		
General Fund Revenues (\$-Millions)			04	Actual	1,065.8
			05	Actual	1,032.9
			06	Budg	1,106.3
			07	Budget	1,203.9
Property Tax Revenues as a % of General Fund Revenues		04 Actual	48.5		
		05 Actual	51.6		
		06 Budget	50.3		
		07 Budget	49.2		
State Aid as a % of General Fund Revenues			04	Actual	9.0
			05	Actual	
			06	Budget	8.2
			07	Budget	8.1
Public Safety as a % of General Fund Expenditures		04 Actual	33.3		
		05 Actual	34.8		
		06 Budget	35.4		
		07 Budget	33.9		

TRENDS IN TOTAL OPERATING AND CAPITAL BUDGET - SUMMARY
(\$-THOUSANDS)

	Fiscal 2005 Actual	Fiscal 2006 Budget	Fiscal 2007 Budget	Dollar Change	Percent Change
Operating Plan	\$1,781,611	\$1,901,600	\$2,015,670	\$114,070	6.0%
Capital Plan	553,419	417,343	381,319	(\$36,024)	(8.6)%
Total Budget	\$2,335,030	\$2,318,943	\$2,396,989	\$78,046	3.4%

TRENDS IN COMBINED OPERATING AND CAPITAL BUDGET - SUMMARY BY FUND
(\$-THOUSANDS)

	Fiscal 2005 Actual	Fiscal 2006 Budget	Fiscal 2007 Budget	Dollar Change	Percent Change
Total Budget					
Local and State-shared Funds					
General	\$1,079,835	\$1,106,256	\$1,203,923	\$97,667	8.8%
Motor Vehicle	209,354	235,352	253,467	\$18,115	7.7%
Parking Management	10,136	11,304	12,368	\$1,064	9.4%
Convention Center Bond	4,566	4,700	4,643	(\$57)	(1.2)%
Total	1,303,891	1,357,612	1,474,401	\$116,789	8.6%
Enterprise Funds					
Waste Water Utility	125,163	148,900	162,507	\$13,607	9.1%
Water Utility	99,699	110,881	122,165	\$11,284	10.2%
Parking Enterprise	23,751	27,321	25,272	(\$2,049)	(7.5)%
Loan and Guarantee	3,172	3,761	7,073	\$3,312	88.1%
Conduit Enterprise	3,114	7,199	3,762	(\$3,437)	(47.7)%
Total	254,899	298,062	320,779	\$22,717	7.6%
Grant Funds					
Federal	290,892	272,940	267,010	(\$5,930)	(2.2)%
State	77,396	75,375	85,568	\$10,193	13.5%
Special	39,796	43,739	42,419	(\$1,320)	(3.0)%
Total	408,084	392,054	394,997	\$2,943	0.8%
Loans and Bonds					
Revenue Bonds	118,883	160,447	105,309	(\$55,138)	(34.4)%
General Obligation Bonds	95,350	56,500	60,000	\$3,500	6.2%
Total	214,233	216,947	165,309	(\$51,638)	(23.8)%
Mayor & City Council Real Property	500	2,800	6,500	\$3,700	132.1%
All Other	153,423	51,468	35,003	(\$16,465)	(32.0)%
Total - All Funds	\$2,335,030	\$2,318,943	\$2,396,989	\$78,046	3.4%

TRENDS IN OPERATING BUDGET - SUMMARY BY FUND
(\$-THOUSANDS)

	Fiscal 2005 Actual	Fiscal 2006 Budget	Fiscal 2007 Budget	Dollar Change	Percent Change
Local and State-shared Funds					
General	\$1,051,419	\$1,102,796	\$1,189,923	\$87,127	7.9%
Motor Vehicle	153,706	169,124	180,027	10,903	6.4%
Parking Management	10,136	11,304	12,368	1,064	9.4%
Convention Center Bond	4,566	4,700	4,643	(57)	(1.2)%
Total	1,219,827	1,287,924	1,386,961	99,037	7.7%
Enterprise Funds					
Waste Water Utility	122,488	145,575	158,507	12,932	8.9%
Water Utility	96,199	104,881	115,165	10,284	9.8%
Parking Enterprise	23,751	27,321	25,272	(2,049)	(7.5)%
Loan and Guarantee Enterprise	3,172	3,761	7,073	3,312	88.1%
Conduit Enterprise	3,114	7,199	3,762	(3,437)	(47.7)%
Total	248,724	288,737	309,779	21,042	7.3%
Grant Funds					
Federal	215,868	218,754	213,043	(5,711)	(2.6)%
State	57,396	62,446	63,468	1,022	1.6%
Special	39,796	43,739	42,419	(1,320)	(3.0)%
Total	313,060	324,939	318,930	(6,009)	(1.8)%
Total Operating - All Funds	1,781,611	\$1,901,600	\$2,015,670	\$114,070	6.0%

TRENDS IN CAPITAL BUDGET - SUMMARY OF FUND
(\$-THOUSANDS)

	Fiscal 2005 Actual	Fiscal 2006 Budget	Fiscal 2007	Dollar Change	Percent Change
Pay-As-You-Go					
General Fund	\$28,416	\$3,460	\$14,000	\$10,540	304.6%
Motor Vehicle	55,648	66,228	73,440	7,212	10.9%
Waste Water Utility	2,675	3,325	4,000	675	20.3%
Water Utility	3,500	6,000	7,000	1,000	16.7%
Total	90,239	79,013	98,440	19,427	24.6%
Grants					
Federal	75,024	54,186	53,967	(219)	(0.4)%
State	20,000	12,929	22,100	9,171	70.9%
Total	95,024	67,115	76,067	8,952	13.3%
Loans and Bonds					
Revenue and TUE Bonds	118,883	160,447	105,309	(55,138)	(34.4)%
General Obligation Bonds	95,350	56,500	60,000	3,500	6.2%
Total	214,233	216,947	165,309	(51,638)	(23.8)%
Mayor & City Council Real Property	500	2,800	6,500	3,700	132.1%
All Other	153,423	51,468	35,003	(16,465)	(32.0)%
Total Capital - All Funds	\$553,419	\$417,343	\$381,319	(\$36,024)	(8.6)%

Note: Actual Fiscal 2005 capital budget represents net appropriations made and reserved, including any supplemental appropriations and de-appropriations.

B U D G E T E D F U N D S

DESCRIPTION OF OPERATING AND CAPITAL FUNDS

The Fiscal 2007 total capital and operating appropriations of \$2.4 billion are budgeted in the following funds:

General Fund - This is the City's largest and principal fund, supported by locally generated revenues and some State Aid. It is used to budget and account for all activities not required by law, accounting practice or management objective to be separately budgeted.

Special Purpose Budget Funds - The City's budget contains two special purpose budgetary funds, the Parking Management and Convention Center Bond funds. These funds are merged with the General Fund in the City's Consolidated Annual Financial Report. The Parking Management Fund budgets for the operations of on-street parking activities and operations of parking facilities supported by the General Fund. The Convention Center Bond Fund budgets for debt service supported by the City's hotel tax, a General Fund revenue.

Motor Vehicle Fund - This fund primarily comprises State shared highway user revenues legally restricted to prescribed transportation programs set forth in State law.

Grant Funds - These funds, part of the General Government fund group, are used to budget and account for all activities that have legally restricted uses supported by dedicated funds. This group consists of the federal, State and other special and private grant funds.

Enterprise Funds - These proprietary type funds are used to budget and account for operations, including debt service, that are financed and operated as an ongoing concern, where costs of providing services (including depreciation) are financed or recovered primarily through user charges or other dedicated revenues. Enterprise funds in the City's budget are the Conduit, Loan and Guarantee, Parking, Water Utility and Waste Water Utility funds. Repayment of debt service expenses incurred by the City Industrial Development Authority, an enterprise fund, are reflected in the debt service payments of the respective funds (General, Water, Waste Water, Parking, etc.) that have utilized Authority financing.

Internal Service Funds - The budget includes six proprietary type funds accounting for the financing of goods and services provided by certain City agencies to other agencies on a cost reimbursement basis. Traditional types of Internal Service funds include Mobile Equipment, Printing and Graphics, Municipal Post Office, Municipal Telephone Exchange and Risk Management Fund for the City's Self-Insurance program.

Capital Projects Fund - All revenue sources, including loan proceeds, intergovernmental grants, certain dedicated revenues and fund transfers comprised of Pay-As-You-Go support from current revenues of other funds are budgeted and accounted for in this fund group.

Cross Reference: For additional detail information on the background, purpose, policies, and major revenues of each budgeted fund see the "Budgetary Funds - Description and Policies" section.

**BUDGETED FUNDS
TOTAL AND NET APPROPRIATIONS**

	Fiscal 2006 Budget	Fiscal 2007 Budget	Dollar Change	Percent Change
Local/State-Shared Funds				
General Fund	\$1,106,256,000	\$1,203,923,000	\$97,667,000	8.8%
Motor Vehicle	235,352,000	253,467,000	18,115,000	7.7%
Parking Management	11,304,000	12,368,000	1,064,000	9.4%
Convention Center Bond	4,700,000	4,643,000	(57,000)	(1.2)%
Total	1,357,612,000	1,474,401,000	116,789,000	8.6%
Enterprise Funds				
Waste Water Utility	148,900,000	162,507,000	13,607,000	9.1%
Water Utility	110,881,000	122,165,000	11,284,000	10.2%
Parking Enterprise	27,321,000	25,272,000	(2,049,000)	(7.5)%
Loan and Guarantee Enterprise	3,761,000	3,762,000	1,000	0.0%
Conduit Enterprise	7,199,000	7,073,000	(126,000)	(1.8)%
Total	298,062,000	320,779,000	22,717,000	7.6%
Grant Funds				
Federal	218,753,919	213,043,168	(5,710,751)	(2.6)%
State	62,446,425	63,468,026	1,021,601	1.6%
Special	43,739,294	42,418,750	(1,320,544)	(3.0)%
Total	324,939,638	318,929,944	(6,009,694)	(1.8)%
Internal Service Fund	70,388,661	77,711,631	7,322,970	10.4%
TOTAL OPERATING AND PAYGO FUNDS	\$2,051,002,299	\$2,191,821,575	\$140,819,276	6.9%
Less				
Transfer to Capital Project Funds	79,013,000	98,440,000	19,427,000	24.6%
Internal Service Fund	70,388,661	77,711,631	7,322,970	10.4%
NET OPERATING APPROPRIATIONS	\$1,901,600,638	\$2,015,669,944	\$114,069,306	6.0%
Plus - Capital Projects Funds	417,343,000	381,319,000	(36,024,000)	(8.6)%
TOTAL APPROPRIATIONS ALL FUNDS	\$2,318,943,638	\$2,396,988,944	\$78,045,306	3.4%

Notes: Unbudgeted funds - Annual budget appropriations are made for contributions to four City retirement funds to fund benefit payments. Actual benefit payments of the Fire and Police Retirement System, the Employees' Retirement System and the Elected Officials' Retirement System are not considered part of the City budget. All payments of the non-actuarial and unfunded Fire and Police Plan are budgeted and paid on a current basis. Other funds not included in the budget Agency funds which account for assets held by the City as a custodial trustee such as the City Employees' Deferred Compensation Plan. Unbudgeted fiduciary funds include an Expendable Trust Fund accounting for a Scholarship Fund and Nonexpendable Trust funds which account for transactions related to private donor endowments for the Library and other memorial contributions. Finally, the City's accounting system contains a Debt Service Fund to accumulate all the budgeted debt service payments, other than the budgeted Enterprise Fund debt service payments.

MAJOR TYPES OF EXPENSES

TOTAL OPERATING AND CAPITAL FUNDS

Salaries - Payments to full and part-time and temporary personnel for services rendered the City. This category of expense includes over-time payment, compensated leaves, shift and other differentials and severance and other direct personnel compensation expenses.

Contractual Services - Payments for services rendered to the City under contractual arrangements ranging from water, sewer and other utility charges to medical and dental fees.

Capital Improvements - Payments for the acquisition and development of City real property including land and facilities and equipment required to convert a capital project/structure into a usable facility.

Grants, Subsidies and Contributions - Payments in support of various organizations and activities which provide health, education, cultural or promotional benefits to Baltimore. This object also includes City agency payments to fund self-insurance and workers' and unemployment compensation programs.

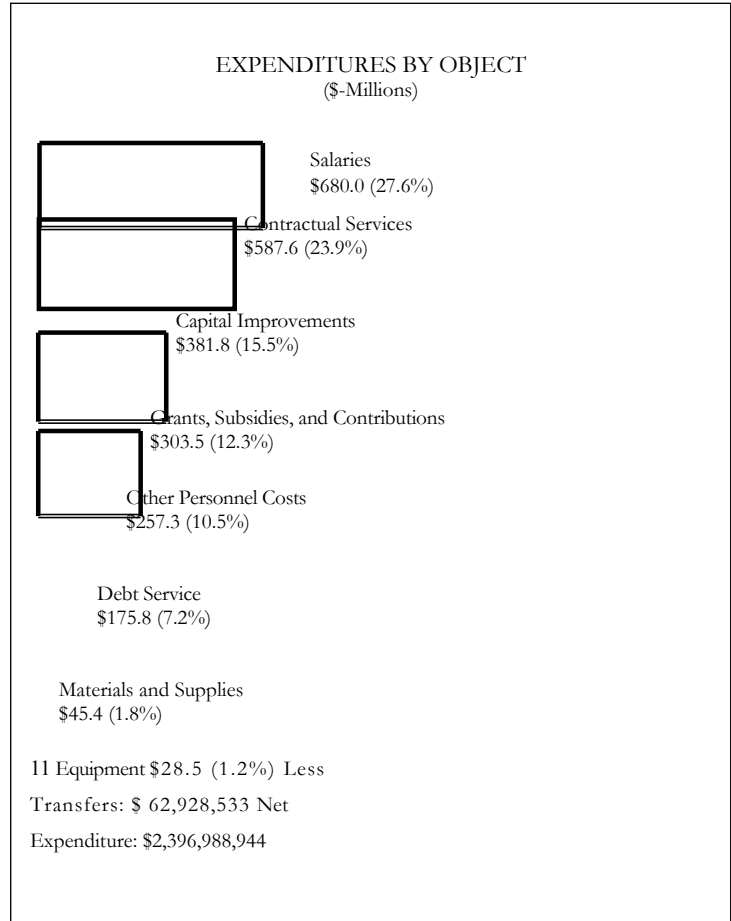
Other Personnel Costs - Payments for benefits provided to City personnel for medical coverage (including vision, dental, prescription drug and other health insurance), Social Security, retirement and other benefits.

Debt Service - Payments for interest and principal redemption of bonds issued by or on behalf of the City. (See the "Debt Service" section for detail on types of debt payments).

Materials and Supplies - Payments for commodities which are consumed or materially altered when used, such as custodial supplies, heating fuels, clothing, books and food.

Equipment - Payments for replacement or procurement of City property other than real property.

Transfers - Charges to one agency or program for goods or services provided by another agency or program.



TRENDS IN BUDGETED PERSONNEL

Personnel costs, including fringe benefits, are the largest type of expenditure in the City budget, totaling \$937.3 million, 38.1% of the budget. The City must manage personnel expenditures using a variety of strategies.

Strategies Used

- Privatizing entire agencies, functions and services
- Offering early retirement incentive programs
- Reorganizing and consolidating functions and agencies
- Eliminating functions and agencies
- Shifting functions and agencies to the State
- Implementing layoffs and wage freezes in certain years

Significant Reduction in Budgeted Positions Fiscal 1980 — Fiscal 2007

	Position Decrease	Percent Decrease
General Fund	(5,881)	(38.5%)
General Fund Less Police and Fire	(5,618)	(58.8%)

While the overall trend is for declining positions, the Police Department has seen an absolute increase in staffing. Reflecting the Mayor's primary objective of making the City safer, the Fiscal 2007 budgeted police positions of 3,937 exceeds by 5.7% the Fiscal 1980 budgeted positions of 3,726.

The ratio of City employees to population has declined from Fiscal 1980 to Fiscal 2007. There were 19.8 General Fund positions per 1,000 residents in 1980. By contrast, the Fiscal 2007 budget includes just 14.9 General Fund positions per 1,000 residents. The most effective means for reducing staff counts have been privatization and shifting of certain functions to the State. Privatization efforts are ongoing. Actions since 1985 include the following:

Transfer to State of Maryland

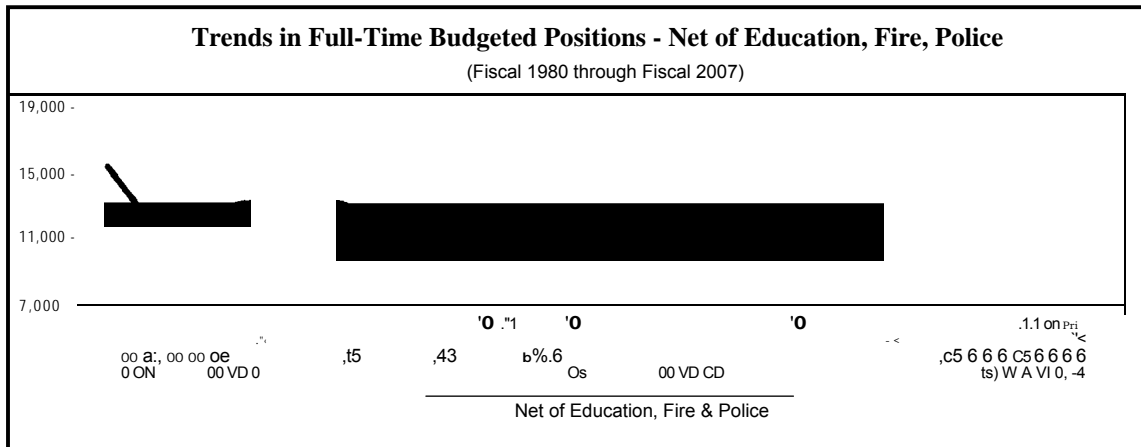
Central Booking Facility	Memorial/Municipal Stadiums
City Jail	Joint City-State School Board
Community College	Weights and Measures Bureau
Interstate 95	

Privatization

Baltimore Arena Management	False Alarm Reduction Program
Baltimore Maritime Museum	Fire and Police Medical Clinic
Baltimore Neighborhood Recreation Center Building	Municipal Golf Courses
Guards, Custodians and HVAC Services Baltimore	Northwest Transfer Station
Substance Abuse Systems, Inc. Baltimore Trolley Works	Municipal Markets
Maryland Zoo in Baltimore (with State Financing)	Worker's Compensation Claims Processing
City Employees' Health Clinic City Life Museums	Walters and Baltimore Art Museums

The tables on the following pages show the trend in personnel from Fiscal 1980 through 2007.

TRENDS IN FULL-TIME BUDGETED POSITIONS - ALL FUNDS (NET OF EDUCATION, FIRE, AND POLICE)

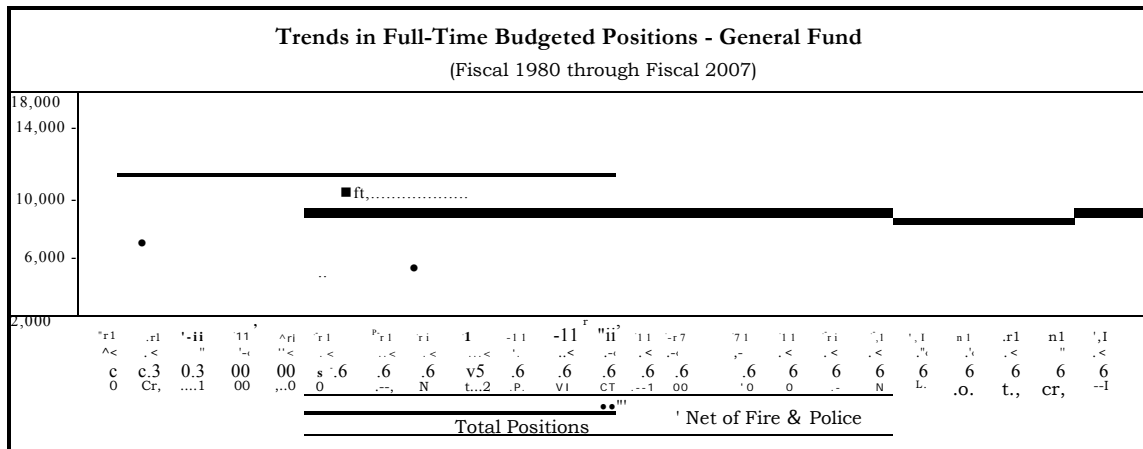


Year	Full-Time Budgeted Positions (All Funds)				Full-Time Budgeted Positions (Net of Education, Fire and Police)			
	Positions	Cumulative Percent Change	Positions Per 1,000 Population	Cumulative Percent Change	Positions	Cumulative Percent Change	Positions Per 1,000 Population	Cumulative Percent Change
FY 1980	34,691	NA	44.1	NA	15,563	NA	19.8	NA
FY 1981	34,267	(1.2%)	44.2	0.1%	15,670	0.7%	20.2	2.1%
FY 1982	34,017	(1.9%)	44.2	0.2%	15,502	(0.4%)	20.1	1.8%
FY 1983	32,685	(5.8%)	42.8	(3.0%)	14,984	(3.7%)	19.6	(0.9%)
FY 1984	31,276	(9.8%)	41.2	(6.6%)	14,127	(9.2%)	18.6	(5.9%)
FY 1985	28,804	(17.0%)	38.1	(13.5%)	12,370	(20.5%)	16.4	(17.2%)
FY 1986	28,786	(17.0%)	38.3	(13.2%)	12,134	(22.0%)	16.1	(18.4%)
FY 1987	28,869	(16.8%)	38.7	(12.1%)	12,707	(18.4%)	17.1	(13.8%)
FY 1988	29,410	(15.2%)	39.9	(9.6%)	13,248	(14.9%)	18.0	(9.2%)
FY 1989	29,558	(14.8%)	40.0	(9.4%)	13,616	(12.5%)	18.4	(7.0%)
FY 1990	29,286	(15.6%)	39.8	(9.8%)	13,558	(12.9%)	18.4	(6.9%)
FY 1991	27,788	(19.9%)	38.0	(13.9%)	12,383	(20.4%)	16.9	(14.5%)
FY 1992	26,886	(22.5%)	37.0	(16.0%)	11,668	(25.0%)	16.1	(18.8%)
FY 1993	26,438	(23.8%)	37.0	(16.2%)	10,953	(29.6%)	15.3	(22.6%)
FY 1994	26,243	(24.4%)	37.3	(15.3%)	10,746	(31.0%)	15.3	(22.7%)
FY 1995	26,403	(23.9%)	38.2	(13.4%)	10,925	(29.8%)	15.8	(20.1%)
FY 1996	26,271	(24.3%)	38.9	(11.8%)	10,881	(30.1%)	16.1	(18.6%)
FY 1997	25,904	(25.3%)	39.4	(10.6%)	10,516	(32.4%)	16.0	(19.1%)
FY 1998	26,055	(24.9%)	40.4	(8.5%)	10,408	(33.1%)	16.1	(18.5%)
FY 1999	26,536	(23.5%)	41.9	(4.9%)	10,423	(33.0%)	16.5	(16.7%)
FY 2000	26,726	(23.0%)	41.0	(6.9%)	10,163	(34.7%)	15.6	(21.1%)
FY 2001	26,563	(23.4%)	41.2	(6.5%)	10,156	(34.7%)	15.8	(20.3%)
FY 2002	26,230	(24.4%)	40.6	(7.8%)	10,020	(35.6%)	15.5	(21.5%)
FY 2003	26,017	(25.0%)	40.9	(7.3%)	9,743	(37.4%)	15.3	(22.6%)
FY 2004 *	15,385	NA	NA	NA	9,618	(38.2%)	15.3	(22.7%)
FY 2005 *	14,834	NA	NA	NA	8,802	(43.4%)	14.7	(25.5%)
FY 2006 *	15,099	NA	NA	NA	9,421	(39.5%)	14.8	(25.1%)
FY 2007 *	15,130	NA	NA	NA	9,450	(39.3%)	14.9	(24.9%)

Notes: In 1998, Baltimore City Public Schools were formally established as a separate budget entity by State law. The Fiscal 1999, 2000, 2001, 2002 and 2003 full-time budgeted positions for the Baltimore City Public Schools is 10,293, 10,573, 10,692, 10,329 and 10,424, respectively.

* Full-time budgeted position data for the City Public Schools has not been available since Fiscal 2004.

TRENDS IN FULL-TIME BUDGETED POSITIONS - GENERAL FUND



Year	Total General Fund Positions				Total General Fund Positions Net of Fire and Police			
	Positions	Cumulative Percent Change	Positions Per 1,000 Population	Cumulative Percent Change	Positions	Cumulative Percent Change	Positions Per 1,000 Population	Cumulative Percent Change
FY 1980	15,264	NA	19.4	NA	9,552	NA	12.1	NA
FY 1981	14,900	(2.4%)	19.2	(1.04)	9,187	(3.8%)	11.8	(2.5%)
FY 1982	14,904	(2.4%)	19.4	(0.2 A)	9,186	(3.8%)	11.9	(1.7%)
FY 1983	15,095	(1.1%)	19.7	1.8%	9,302	(2.6%)	12.2	0.2%
FY 1984	14,402	(5.6%)	19.0	(2.2 A)	8,575	(10.2%)	11.3	(7.0%)
FY 1985	12,549	(17.8%)	16.6	(14.4%)	6,855	(28.2%)	9.1	(25.3%)
FY 1986	12,041	(21.1%)	16.0	(17.5%)	6,328	(33.8%)	8.4	(30.7%)
FY 1987	12,076	(20.9%)	16.2	(16.5%)	6,398	(33.0%)	8.6	(29.3%)
FY 1988	12,229	(19.9%)	16.6	(14.6%)	6,614	(30.8%)	9.0	(26.2%)
FY 1989	12,393	(18.8%)	16.8	(13.7%)	6,862	(28.2%)	9.3	(23.6%)
FY 1990	12,220	(19.9%)	16.6	(14.4%)	6,701	(29.8%)	9.1	(25.0%)
FY 1991	11,361	(25.6%)	15.5	(20.0%)	5,911	(38.1%)	8.1	(33.5%)
FY 1992	10,420	(31.7%)	14.4	(26.0%)	5,051	(47.1%)	7.0	(42.7%)
FY 1993	9,953	(34.8%)	13.9	(28.3%)	4,697	(50.8%)	6.6	(45.9%)
FY 1994	9,908	(35.1%)	14.1	(27.4%)	4,626	(51.6%)	6.6	(45.8%)
FY 1995	9,839	(35.5%)	14.2	(26.6%)	4,496	(52.9%)	6.5	(46.4%)
FY 1996	9,813	(35.7%)	14.5	(25.1%)	4,535	(52.5%)	6.7	(44.7%)
FY 1997	9,471	(38.0%)	14.4	(25.7%)	4,165	(56.4%)	6.3	(47.8%)
FY 1998	9,425	(38.3%)	14.6	(24.7%)	4,127	(56.8%)	6.4	(47.3%)
FY 1999	9,500	(37.8%)	15.0	(22.6%)	4,139	(56.7%)	6.5	(46.1%)
FY 2000	9,398	(38.4%)	14.4	(25.6%)	3,968	(58.5%)	6.1	(49.8%)
FY 2001	9,288	(39.2%)	14.4	(25.7%)	3,946	(58.7%)	6.1	(49.6%)
FY 2002	9,243	(39.4%)	14.3	(26.2%)	3,917	(59.0%)	6.1	(50.0%)
FY 2003	8,946	(41.4%)	14.1	(27.6%)	3,592	(62.4%)	5.6	(53.5%)
FY 2004	8,980	(41.2%)	14.3	(26.4%)	3,581	(62.5%)	5.7	(53.1%)
FY 2005	8,870	(41.9%)	14.1	(27.1%)	3,435	(64.0%)	5.5	(54.9%)
FY 2006	9,013	(41.0%)	14.2	(27.0%)	3,566	(62.7%)	5.6	(53.8%)
FY 2007	9,383	(38.5%)	14.8	(23.9%)	3,934	(58.8%)	6.2	(49.0%)

Notes:

- Baltimore City Public School positions are not included in the General Fund. The Education Fund was established in 1986.
- Federal Revenue Sharing positions are included in the General Fund.
- Fiscal 1986 - The Baltimore City Community College was established as a separate fund. About 390 positions were affected.

PAST AND PROJECTED BUDGETARY FUND BALANCES

	General Fund [1]	Special Revenue Funds [2]	Enterprise Funds [3]
Fiscal 2006:			
Actual Budgetary Fund Balance, <i>June 30, 2005</i>	\$168,106	\$10,780	\$246,486
Estimated Revenues & Net Transfers	\$1,230,337	\$642,006	\$280,314
Estimated Expenses & Other Uses	(\$1,212,368)	(\$641,292)	(\$278,926)
Estimated Budgetary Fund Balance, <i>June 30, 2006</i>	\$186,075	\$11,494	\$247,874
Fiscal 2007:			
Estimated Budgetary Fund Balance, <i>June 30, 2006</i>	\$186,075	\$11,494	\$247,874
Estimated Revenues & Net Transfers	\$1,223,819	\$648,464	\$317,102
Estimated Expenses & Other Uses	(\$1,219,334)	(\$648,464)	(\$320,779)
Estimated Budgetary Fund Balance, <i>June 30, 2007</i>	\$190,560	\$11,494	\$244,197

[1] The General Fund includes General, Convention Center and Parking Management funds.

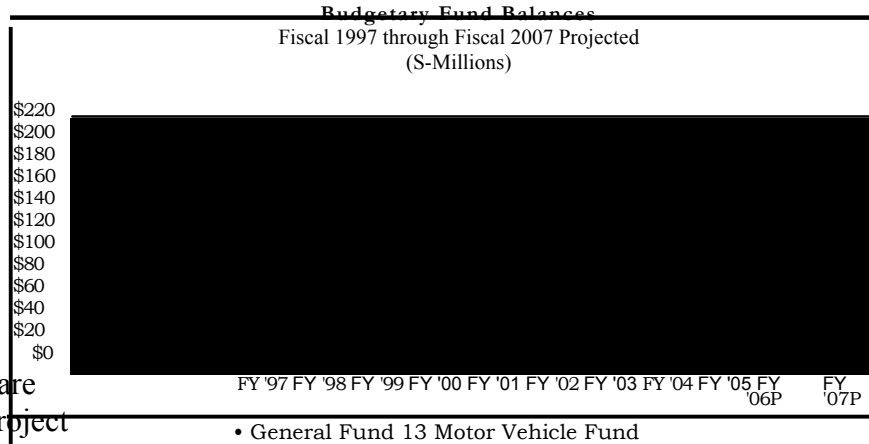
[2] The Special Revenue Funds include Motor Vehicle, Federal, State and Special Grant funds.

[3] The Enterprise Funds include Water, Waste Water, Parking, Conduit and Loan and Guarantee funds.

The unreserved and undesignated portion of the General Fund balance, that portion which is not committed for encumbrances, payables, inventories, funding the following year budget, reserved for the City's Budget Stabilization Fund or other uses, has averaged about \$8.9 million over the past five years.

For all major grant funds, other than the Motor Vehicle Fund, unexpended appropriations or revenue surpluses arising during a fiscal year are fully reserved for the legal purposes of the grant and are reflected as deferred revenues or amounts due from grant

sources. Therefore, no balances are stated for these funds. Capital project appropriations are considered expended until they are de-appropriated.



Trends and Outlook – The relatively stable economy and strong real estate market has supported improvement in the General Fund balance. The major positive change in Fiscal 2001 was due in large part to receipt of substantial one-time fiduciary income tax payments to correct distribution errors made by the State. Improvement in the Fiscal 2006 projected balance is due to policy actions to broaden the tax base and strong real estate market activity. The City has taken advantage of onetime events and cyclical strength in the local economy to fund the Budget Stabilization Reserve. The outlook is positive.

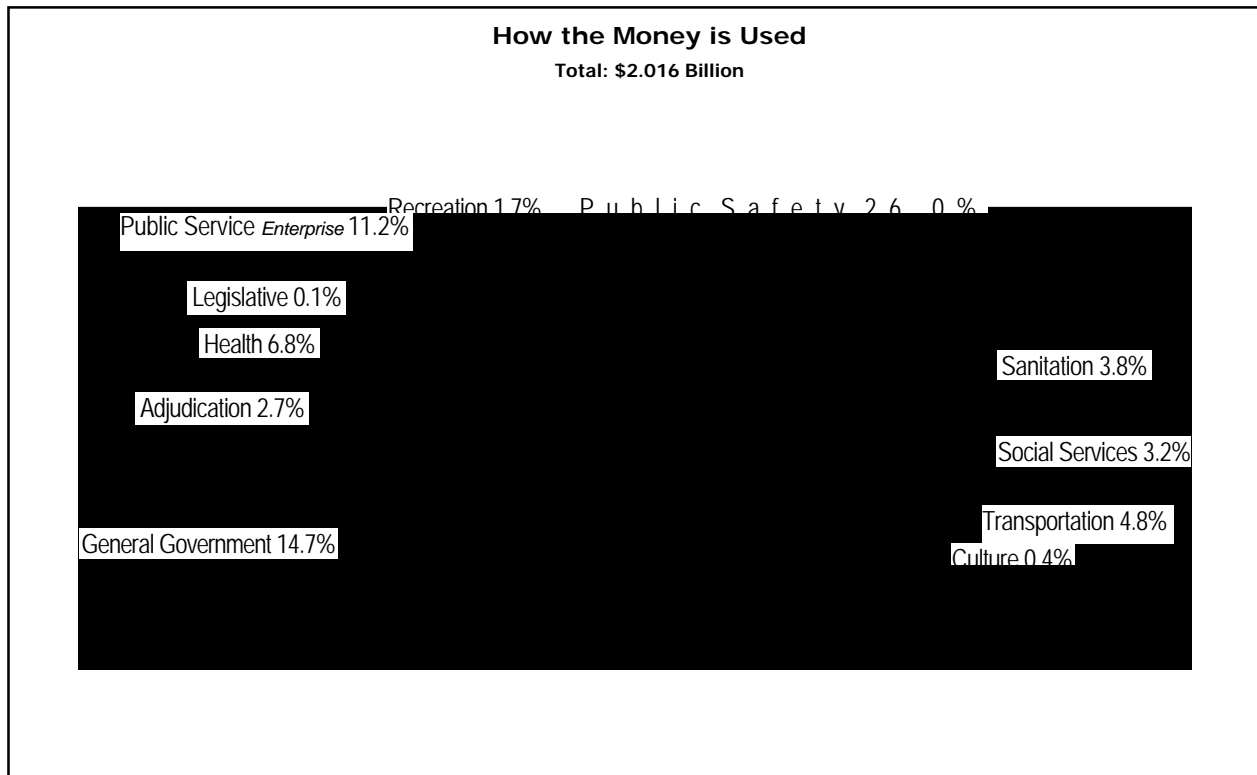
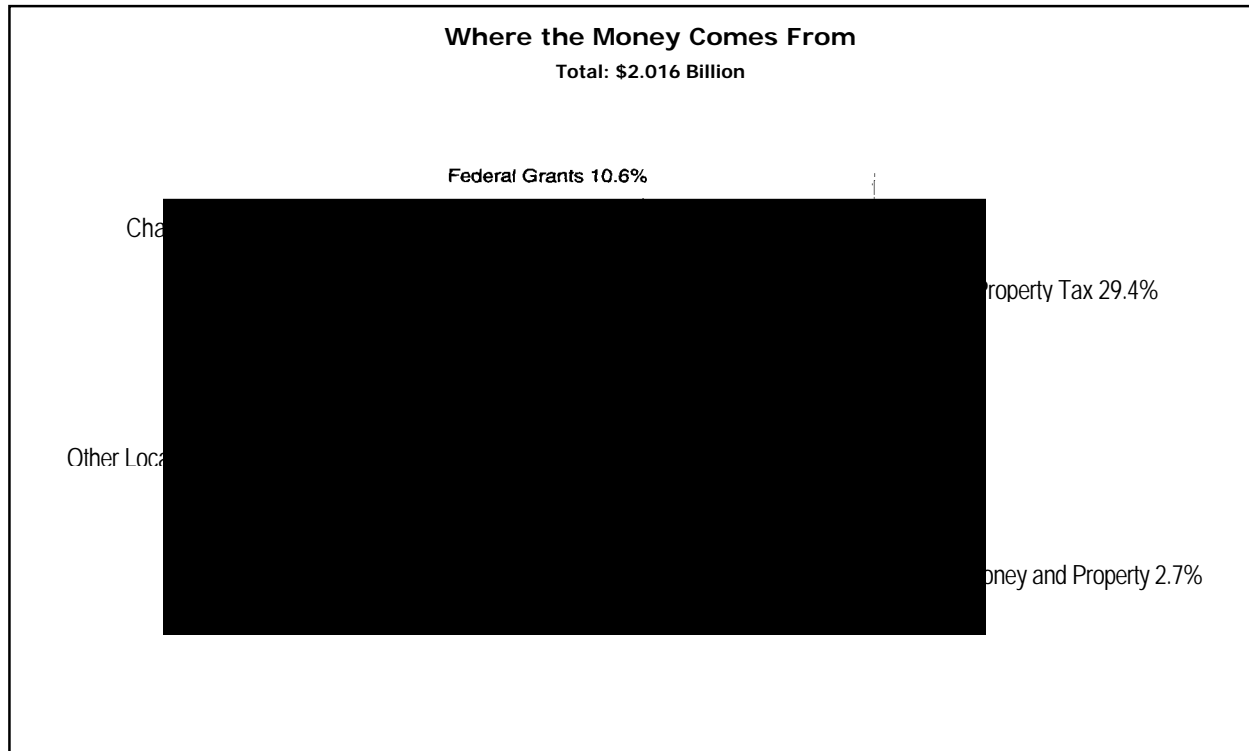
Fiscal 2007

Summary of the Adopted Budget

Operating Budget

FISCAL 2007

OPERATING BUDGET



SUMMARY OF THE ADOPTED BUDGET

Operating Budget Plan

General Fund

The adopted Ordinance of Estimates includes the second year of the City Administration's five-year plan for property tax reduction for both real and personal property. The real property tax rate of \$2.308 per \$100 of valuation will be reduced by two cents, to \$2.288 of assessed valuation. In accordance with State law, the personal property tax rate must be two and one-half times that of the real property tax rate. Thus the tax rate for personal property in Fiscal 2007 is reduced from \$5.77 per \$100 of assessed valuation to \$5.72. This is the lowest property tax rate in the City since Fiscal 1972. The total cost of this property tax reduction for Fiscal 2007 is about \$11.1 million. The cumulative impact of the two years of tax reduction will return \$15.9 million to City taxpayers.

The General Fund Budget for Fiscal 2007 is \$1.204 billion representing a growth of approximately \$97.7 million or 8.8% above the Fiscal 2006 adopted budget of \$1.106 billion. The operating portion of the Fiscal 2007 budget is \$1.2 billion, an increase of \$87.1 million or 7.9%. The capital budget is \$14.0 million, an increase in Pay-As-You-Go (PAYGO) expenditures of \$10.5 million. The increases will be utilized to replace the City's nearly 40-year-old legacy financial system, for the expansion of city parkland space and for community and economic development projects.

Salary increases have been included for all City employees in the Fiscal 2007 the budget plan. The cost of salaries will grow about \$14.2 million or 3.4%. The budget plan proposes no layoffs in the General Fund which is so very important for maintaining the current level of service for another year. Although there will be no layoffs, the budget plan calls for eight vacant positions to be abolished representing a continuation of efforts to improve operational efficiency.

Like most jurisdictions Baltimore City is facing built-in cost increases that impact upon its ability to provide the current level of services. The City is not alone in this regard. Employee retirement costs are increased by \$17.4 million. The Administration's efforts to control health care costs through greater cost sharing for active and retired employees continue to have a positive effect. Health care costs are expected to grow about \$6.1 million or 3.6%. This compares favorably with the 10.0% to 15.0% annual increases that were experienced earlier this decade. The Government Accounting Standards Board has instituted a rule change which mandates that Other Post Employment Benefits (OPEB) be recorded as accrued liabilities in the annual financial statements prepared by governmental entities. The budget plan includes \$3.9 million to begin to address this rule change. Henceforth, an annual contribution to a Post Employment Benefits Fund will be required. In addition, the City will be required to pay more for projected increased utility and vehicle fuel costs in order to maintain the current level of service. An additional \$9.9 million is included for increased costs to heat and cool public buildings, for the provision of water and sewer service and to maintain the City's vehicle fleet.

The City is also faced with the challenge of absorbing cuts in federal funding for targeted programs. The budget plan includes a total of \$11.8 million to backfill gaps created by these

cutbacks in federal domestic spending. Local funding is provided to continue critical services in the areas of housing and community development, job training and public safety.

Finally, the budget plan addresses essential quality of life issues that must be addressed if the City is to continue to thrive and to sustain the progress made in recent years. The plan includes \$600,000 to pay for additional staff required to monitor closed circuit television (CCTV) operations. HIV and syphilis control funding is increased by \$700,000 for a new initiative to increase mobile outreach services, enhance laboratory testing and to provide additional treatment supplies. Local support for drug treatment is increased by \$250,000 or 20.0%. This represents the largest level of local support for drug treatment in recent memory. Local support for the Baltimore City Community College is increased by \$200,000 or 25.0%. The Bureau of Solid Waste will receive an additional \$237,000 in order to expand services at three citizen drop off locations. Also, the Commission on Aging and Retirement Education will receive a \$168,000 subsidy to maintain the current level of service for its elderly transportation program.

OPERATING APPROPRIATIONS	\$1,031.9	\$1,102.8	\$1,189.9	\$87.1	7.9%
FULL-TIME POSITIONS					
Classified	4,042	4,240	4,603	363	8.6%
Sworn	4,828	4,802	4,780	(22)	(0.5)%
Total	8,870	9,042	9,383	341	3.8%

BALTIMORE CITY PUBLIC SCHOOLS – State law requires that Baltimore City contribute \$192.3 million in maintenance of effort funds to the Baltimore City Public Schools System (BCPSS) in Fiscal 2007. The Fiscal 2007 appropriation, however, continues the practice of providing more than the required maintenance of effort by including an additional \$5.6 million to the required maintenance of effort for a total contribution of \$197.8 million in Fiscal 2007. Since Fiscal 2001, the City has provided a cumulative total of \$32.0 million over and above the required maintenance of effort.

Additionally, the budget appropriation includes another \$10.1 million for transition services, termination leave and transportation support pursuant to the partnership agreement. These expenses for transition services are increased by \$173,300 in Fiscal 2007 as a result of salary and benefit increases. Together, the maintenance of effort contribution and the funding for transition services, termination leave and transportation support amount to the \$207.9 million contribution that is appropriated for the BCPSS for Fiscal 2007.

It is important to note, however, that this \$207.9 million alone is not the full extent of budgetary support that Baltimore City provides BCPSS. Additionally, the City directly pays the cost of health benefits for retired BCPSS employees. This is projected to cost the City another \$26.1 million in Fiscal 2007, an increase of \$1.8 million over Fiscal 2006. Because the City provides these benefits directly to BCPSS retirees rather than having BCPSS provide the benefits, the contribution is not reflected in the local maintenance of effort the way it is in other Maryland subdivisions.

Further, the City's Fiscal 2007 appropriation includes \$5.0 million in General Funds in the Health Department to support the School Nurse Program and \$4.8 million in the Police Department to fund school crossing guards. And the Fiscal 2007 operating budget includes \$15.2 million in debt service payments for bond proceeds allocated to BCPSS, an amount that has increased by \$5.1 million or 50.3% since just Fiscal 2004. This increasing debt service reflects the City's commitment to providing more capital funds for BCPSS. The amount of General Obligation bond funds that the City provided BCPSS has increased from \$12.0 million annually from Fiscal 2000 through Fiscal 2003 to \$16.0 million in both Fiscal 2004 and 2005, with \$17.0 million in Fiscal 2006 and appropriated for Fiscal 2007. The City's six year capital improvement program includes a further increase to \$18.0 million for Fiscal 2008 and 2009. In addition to these bond funds, the City has made an unprecedented contribution to BCPSS facility improvements from General Fund operating surpluses in Fiscal 2005 and 2006, with a total of \$6.0 million allocated from surplus funds to date and another \$25.0 million allocated from the Fiscal 2006 surplus.

The combined level of recurring operating support for BCPSS by the City amounts to \$259.0 million in Fiscal 2007. Additionally, the Administration has appropriated \$25.0 million in pay-as-you-go capital funds for BCPSS from the Fiscal 2006 surplus. Furthermore, the City continues its efforts to leverage private contributions through the BELIEVE In Our Schools campaign, which has raised more than \$9.0 million in cash and in-kind contributions since Fiscal 2004.

BOARD OF ELECTIONS - The appropriation for Fiscal 2007 is \$6.5 million, a net increase of \$813,900 or 14.0% above the Fiscal 2006 level of appropriation. The increase is related to costs for the Gubernatorial Primary and General elections to be held in Fiscal 2007. The appropriation includes \$94,600 to fund the City's share of the State's MDVOTERS Saber Regional Support program. This program is operated by the State Administrative Board of Elections (SABEL). Services provided through this program include on-site visits, training workshops, on-site coaching/mentoring sessions, validating election readiness and updating business processes.

CIRCUIT COURT - The appropriation for Fiscal 2007 is \$8.6 million, an increase of \$593,600 or 7.4% above the Fiscal 2006 level of appropriation. The appropriation includes \$210,600 to upgrade the court reporting system to a digital video and audio system. In addition, the appropriation includes a \$129,000 increase for the City's contribution to the subsidy for law clerks. In addition, the appropriation includes a \$40,000 increase for juror compensation and meals. Worker's compensation costs appropriated are increased by \$136,800.

CIVIC PROMOTION - The appropriation for Fiscal 2007 is \$11.3 million, an increase of \$1.8 million or 17.7% above the Fiscal 2006 level of appropriation. The appropriation level for the Baltimore Area Convention and Visitors Association (BACVA) is increased from \$6.8 million to \$8.4 million. The City's annual grant for BACVA is based on State legislation, which requires the City's General Fund to appropriate an amount equal to 40.0% of the City's hotel tax receipts. The appropriation also includes \$105,000 to provide funds for the Partnership for Baltimore's

Waterfront. The Partnership will provide additional landscaping, cleaning and public safety services to a designated 180 acre waterfront district.

COMMISSION ON AGING AND RETIREMENT EDUCATION — The appropriation for Fiscal 2007 is \$1.1 million, an increase of \$236,400 or 27.0% above the Fiscal 2006 level of appropriation. The appropriation includes an additional \$168,000 to provide a subsidy for the elderly transportation program. Worker's compensation costs are increased by \$104,300. The General Fund portion for the leasing of agency office space is reduced by \$49,300.

EDUCATIONAL GRANTS — The appropriation for Fiscal 2007 is \$1.4 million, an increase of \$195,600 or 16.3% above the Fiscal 2006 level of appropriation. The appropriation includes \$200,000 or 25.0% in additional funding for the Baltimore City Community College.

EMPLOYEES' RETIREMENT CONTRIBUTION — The appropriation for all funds for Fiscal 2007 is \$100.1 million, an increase of \$23.0 million or 29.8% above the Fiscal 2006 level of appropriation. The appropriation includes:

- **Fire and Police Retirement System** — The appropriation for all funds is \$59.3 million, an increase of \$11.2 million or 22.8% above the Fiscal 2006 level of appropriation. The General Fund portion is \$57.3 million, an increase of \$10.3 million or 21.9% above the Fiscal 2006 level of appropriation. In addition, an additional \$4.7 million in General Funds is appropriated to be used for reducing the accrued liabilities in the Benefit Improvement Fund and Employees' Retirement Funds of the system.
- **Employees' Retirement System** — The appropriation for all funds is \$31.8 million, an increase of \$4.5 million or 16.5%. The General Fund portion is \$13.3 million, an increase of \$2.5 million or 23.1% above the Fiscal 2006 level of appropriation.
- **Elected Officials Retirement System** — The appropriation is \$381,500, a decrease of \$135,200 or 26.2% below the Fiscal 2006 level of appropriation.
- **Other Post Employment Benefits (OPEB)** — The Government Accounting Standards Board (GASB) has instituted an accounting rule change which mandates that OPEB benefits be recorded as accrued liabilities in the annual financial statements prepared by governmental entities. The appropriation for Fiscal 2007 includes \$3.9 million to begin to address this rule change. Henceforth, an annual contribution to a Post Employment Benefits Trust Fund will be required.

ENOCH PRATT FREE LIBRARY — The appropriation for Fiscal 2007 is \$22.0 million, an increase of \$2.3 million or 11.9% above the Fiscal 2006 level of appropriation. The appropriation includes a \$1.2 million increase in salary and benefits including \$470,000 in Pending Personnel Actions to staff the new Southeast Anchor Library scheduled to open in the Spring of Fiscal 2007. Contractual Services is increased by \$682,700 including \$475,000 to pay for increased gas, electric and steam costs; \$42,200 for increases in water and sewer fees; \$25,100 for increased Central Garage vehicle rental fees; \$54,000 for the maintenance and repair of real property and equipment and \$60,300 in other professional services Transfer Credits are reduced by \$413,900 as reimbursements from State grants are reduced.

FIRE DEPARTMENT - The appropriation for Fiscal 2007 is \$121.9 million, an increase of \$3.8 million or 3.0% above the Fiscal 2006 level of appropriation. The appropriation includes \$670,200 in pending personnel actions and related costs necessary to fund the creation of one accounting position within the fiscal office, an instructor at the Waibrook Academy, four fire inspectors, a salary adjustment for battalion commanders and for the creation of four positions in the Emergency Medical Services (3 captains, 1 division chief) as well as the reclassification of three captains to battalion chiefs effective January 2007. Overtime is increased by \$572,800. Contractual Services is increased by \$1.5 million including \$721,600 for increased Central Garage vehicle rental fees; \$388,300 for increased gas, electric and steam charges; \$425,000 is provided for maintenance on the Telestaff and dispatch system and \$41,600 for increased water and sewer fees. Materials and Supplies are increased by \$303,300 including \$123,000 for medical and surgical supplies; \$63,200 for motor vehicle fuels and lubricants; \$75,000 for heating fuels and \$37,200 for clothing and footwear. Worker's compensation costs increased by \$1.1 million.

HEALTH DEPARTMENT - The appropriation for Fiscal 2007 is \$24.5 million, an increase of \$2.3 million or 10.4% above the Fiscal 2006 level of appropriation. The appropriation includes an additional \$700,000 for a new initiative to increase mobile outreach efforts for HIV and syphilis control including mobile outreach services, enhanced laboratory testing and additional sexually transmitted diseases testing supplies. An increase of \$250,000 is appropriated for the City's contribution of local support for drug treatment services. This represents a 20.0% increase in local support for these services. The appropriation also includes an additional \$359,000 and the transfer of seven positions from the Federal Fund to continue operation of the Men's Health Center. In addition, \$359,600 is appropriated at the Animal Shelter for expanded medical treatment and outreach services as well as additional costs for medical supplies and dead animal removal.

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT - The appropriation for Fiscal 2007 is \$17.6 million, an increase of \$7.6 million or 76.0% above the Fiscal 2006 level of appropriation. The increase is related to the transfer of \$7.0 million in expenses from the Federal and Special funds, including \$5.8 million from the Community Development Block Grant (CDBG) and \$1.2 million from the Urban Development Action Grant (UDAG). Federal and Special funds in the amount of \$4.2 million (\$3.0 million CDBG, \$1.2 million UDAG) which supported the operating budget are transferred to the General Fund. In addition, the remaining \$2.8 million represents costs transferred to the General Fund. Of this amount, \$1.8 million reflects a reduction due to the projected yield derived from the calculation of this grant's funding formula for next fiscal year and an addition \$1.0 million represents projected increased operating costs. Included is the net transfer of 193 positions in the amount of \$4.8 million from the Federal Fund. Worker's compensation costs are increased by \$163,000. This discussion does not include the Baltimore Development Corporation (BDC).

MAYOR'S OFFICE OF EMPLOYMENT DEVELOPMENT - The appropriation for Fiscal 2007 is \$6.3 million, an increase of \$4.5 million or 250.0% above the Fiscal 2006 level of appropriation. The appropriation includes the transfer of 24 positions and \$3.0 million to support the Youth Opportunity program previously budgeted in the Federal Fund. This grant expires at the end of Fiscal 2006. The appropriation also includes \$1.0 million due to a reduction in the amount of Workforce Investment Act - Displaced Adults (JTPA/WIA) funds made available to the City. In addition, six positions are transferred from the Federal Fund and \$245,400 is provided for job-training services under the Ex-Offender Program. Also, an additional \$194,000 is appropriated for the Summer Jobs program to pay for the increase in the State's minimum wage from \$5.15 to \$6.15 per hour.

OFFICE OF THE INSPECTOR GENERAL – The appropriation for Fiscal 2007 includes \$632,100 for the creation of an Office of the Inspector General. The Office of the Inspector General was created by a Mayoral Executive Order issued in July 2005. The Office's appropriation for personnel is \$337,500 and funds five positions (1 Inspector General, 3 investigators, 1 clerical) approved by the Board of Estimates during Fiscal 2006. The remaining \$294,600 for non-labor costs will be utilized for a combination of one-time start-up and recurring expenses related to the operation of the Office. The Office will conduct objective and independent reviews and investigations to: prevent and detect fraud, waste, abuse, and misconduct in City government; promote economy, efficiency, and effectiveness of City operations; promote program and public integrity; review and respond to citizen complaints and inform the Mayor and agency heads of problems, deficiencies and recommend corresponding corrective actions.

POLICE DEPARTMENT – The appropriation for Fiscal 2007 is \$286.1 million, an increase of \$12.2 million or 4.5% above the Fiscal 2006 level of appropriation. The increase includes \$4.8 million for salary and benefits; \$4.0 million for increased worker's compensation costs; \$2.0 million for increased Central Garage rental fees; \$600,000 for personnel to monitor CCTV cameras and a net increase of \$1.5 million for non-labor expenses in order to align the budget with actual spending levels for this category. Prior Board of Estimates actions approved during Fiscal 2006 included the abolishment of 22 sworn positions and 9 Community Service Officers and the creation of 33 civilian positions. Of the 33 positions created, there are 10 office assistants to provide clerical support in the police district stations, 6 police report reviewers, 4 crime lab technicians, 10 criminalists, 2 firearms examiners and 1 information technology position.

DEPARTMENT OF PUBLIC WORKS – The appropriation for Fiscal 2007 is \$68.7 million, an increase of \$6.6 million or 10.6% above the Fiscal 2006 level of appropriation.

Director's Office – The appropriation for Fiscal 2007 is \$1.2 million, an increase of \$200,900 or 20.5% above the Fiscal 2006 level of appropriation. The appropriation includes \$165,000 for negotiated salary and benefit increases. Contractual Services increased appropriations of \$101,300, including \$48,600 for additional telephone charges and \$19,100 for increased Central Garage vehicle rental fees. Equipment is increased by \$16,500 for the purchase of computer hardware. Worker's compensation costs are increased by \$176,000. Transfer Credits are increased by \$274,400 as part of the agency's Indirect Cost Allocation plan.

General Services – The appropriation for Fiscal 2007 is \$23.5 million, an increase of \$3.6 million or 19.3% above the Fiscal 2006 level of appropriation. The appropriation includes \$214,700 for negotiated salary increases. In addition, prior Board of Estimates approval during Fiscal 2006 approved the creation of three new building project coordinator positions to oversee repair work in the BCPSS at a cost of \$127,500. Contractual Services is projected to increase by \$3.3 million. Included is \$2.9 million for gas, electric and steam increases; \$67,800 for increased Central Garage vehicle rental fees; \$124,800 for increased water and sewer fees; \$200,000 for custodian • contracts and \$105,900 to pay for a contractual rate increase for chilled water service. Transfer Credits are decreased by \$192,900 due to a reduction in intra-agency charges for property location, whiteprint and mobile maintenance services.

Solid Waste – The appropriation for Fiscal 2007 is \$44.0 million, an increase of \$2.8 million or 6.8% above the Fiscal 2006 level of appropriation. The appropriation includes \$383,700 to pay for negotiated pay increases as well as \$89,900 to pay hazardous duty pay for Local 44

represented employees. Contractual Services is appropriated to have a net decrease of \$900,500. Included is \$1.3 million for increased Central Garage vehicle rental fees; \$310,000 to pay for the lease-purchase of new equipment to be utilized at the Quarantine Road landfill, \$55,600 for increased sewer and water charges offset by a reduction of \$900,500 for tipping fees. Also appropriated is the transfer of the Removal of Fire Debris, Removal of Eviction Chattels and Graffiti Removal activities from the Motor Vehicle Fund. Included are the transfer 42 positions and \$2.0 million.

DEPARTMENT OF RECREATION AND PARKS – The appropriation for Fiscal 2007 is \$25.6 million, an increase of \$1.7 million or 7.1% above the Fiscal 2006 level of appropriation. The appropriation includes \$559,900 for negotiated salary increases. Temporary and permanent part-time salaries are increased by \$678,300 including \$672,000 to pay for the increase in the State's minimum wage from \$5.15 to \$6.15 per hour. Contract salaries increase by \$171,000 including \$65,000 to pay for contractual employees previously supported by Program Open Space funds. Contractual Services increase by \$386,800 including \$358,600 to pay for increased Central Garage vehicle rental fees. Materials and Supplies increase by \$71,900 including \$60,400 for motor vehicle fuels and lubricants and heating fuels. Worker's compensation costs are increased by \$130,600.

SHERIFF'S OFFICE – The appropriation for Fiscal 2007 is \$11.9 million, an increase of \$1.6 million or 15.5% above the Fiscal 2006 level of appropriation. The appropriation includes \$600,000 for negotiated salary and benefit increases; \$515,000 to create 10 additional positions (3 deputy sergeants, 7 deputies) approved during the 2006 session of the Maryland General Assembly and \$200,000 for a proposed upgrade of court security officer positions. The appropriation also includes \$343,500 in Equipment for the purchase of new vehicles.

STATE'S ATTORNEY'S OFFICE – The appropriation for Fiscal 2007 is \$24.9 million, an increase of approximately \$2.6 million or 11.7% above the Fiscal 2006 level of appropriation. The appropriation includes \$936,600 to fund the creation of 15 positions approved by the Board of Estimates during Fiscal 2006. Included is eight positions (2 prosecutors, 6 support) for the War Room at a cost of \$409,200; four prosecutor positions for the Collateral Prosecution Unit at a cost of \$300,300; one position to serve as the Office's Government Liaison at a cost of \$77,700, one position to serve as Community Liaison in the Division of Safe Neighborhoods at a cost of \$58,100 and one additional prosecutor for the Homicide Unit at a cost of \$79,600. In addition, the appropriation includes \$628,300 to fund the transfer of 12 positions (9 community liaison, 3 support) from the District Court Community Services activity currently budgeted in the Federal Fund. An additional \$100,000 has been included to fund the transfer of two positions in expiring grants for prosecution of identity theft and domestic violence. The appropriation includes a \$200,000 increase for temporary salaries to reflect actual expenditure levels as well as a \$250,000 increase for the Witness Protection activity. This will increase expenditures for this purpose from \$300,000 to \$550,000 or an increase of 83.3% above the current fiscal year.

Motor Vehicle Fund

0 oft	e a	Budget	li.,4gc, ,peal206t,'	.Change	Change.'
OPERATING APPROPRIATIONS	\$149.7	\$169.1	\$180.0	\$10.9	6.4%
FULL-TIME POSITIONS	1,809	1,800	1,765	(35)	(1.9)%

CIVIC PROMOTION – The appropriation for Fiscal 2007 includes \$300,000 to provide funds for the Partnership for Baltimore's Waterfront. The Partnership will provide additional landscaping, cleaning and public safety services to a designated 180 acre waterfront district.

EMPLOYEES' RETIREMENT CONTRIBUTION – The appropriation for all funds for Fiscal 2007 is \$100.1 million, an increase of \$23.0 million or 29.8% above the Fiscal 2006 level of appropriation. The appropriation includes:

- **Fire and Police Retirement System** – The appropriation for all funds is \$59.3 million, an increase of \$11.2 million or 22.8%. The Motor Vehicle Fund portion is \$1.0 million, an increase of \$161,000 or 19.2% above the Fiscal 2006 level of appropriation.
- **Employees' Retirement System** – The appropriation for all funds is \$31.8 million, an increase of \$4.5 million or 16.5%. The Motor Vehicle Fund portion is \$5.4 million, an increase of \$800,000 or 17.4% above the Fiscal 2006 level of appropriation.
- **Other Post Employment Benefits (OPEB)** – The Government Accounting Standards Board (GASB) has instituted an accounting rule change which mandates that OPEB benefits be recorded as accrued liabilities in the annual financial statements prepared by governmental entities. The appropriation for Fiscal 2007 includes \$1.4 million to begin to address this rule change. Henceforth, an annual contribution to a Post Employment Benefits Trust Fund will be required.

POLICE DEPARTMENT – The appropriation for Fiscal 2007 is \$11.9 million, an increase of \$513,300 or 4.5% above the Fiscal 2006 level of appropriation. The increase includes \$168,700 for worker's compensation costs; \$214,000 for crossing guard reimbursement to the Department of Transportation; \$99,000 for increased Central Garage vehicle rental fees; \$20,000 for clothing and footwear and \$60,000 for general operating supplies

DEPARTMENT OF PUBLIC WORKS – The appropriation for Fiscal 2007 is \$36.8 million, a decrease of \$149,700 or 0.4% below the Fiscal 2006 level of appropriation.

Director's Office – The appropriation for Fiscal 2007 is \$2.8 million, an increase of \$275,300 or 11.0% above the Fiscal 2006 level of appropriation. The increase includes \$71,400 for negotiated

salary and benefit increases and a \$250,800 increase in worker's compensation costs offset by a decrease of \$56,300 in Transfer Credits.

General Services – The appropriation for Fiscal 2007 is \$2.0 million, an increase of \$26,500 or 1.3% above the Fiscal 2006 level of appropriation. The appropriation includes a \$48,400 for negotiated salary and benefits increases and \$15,000 to hire temporary employees for the Permits Division offset by a decrease of \$40,000 in computer hardware.

Solid Waste – The appropriation for Fiscal 2007 is \$27.2 million, a decrease of \$667,300 or 2.4% below the Fiscal 2006 level of appropriation. The appropriation includes \$685,800 to pay for negotiated salary increases as well as a \$139,600 increase to pay hazardous duty pay for Local 44 represented employees. The appropriation also includes \$826,400 to pay for increased Central Garage vehicle rental fees. These increases are offset by the appropriated transfer of the Removal of Fire Debris, Removal of Eviction Chattels and Graffiti Removal activities to the General Fund. Included are the transfer 42 positions and \$2.0 million.

Storm Water – The appropriation for Fiscal 2006 is \$4.8 million, an increase of \$223,400 or 4.9% above the Fiscal 2006 level of appropriation. The appropriation includes \$122,300 to pay for negotiated salary increases. Five positions are transferred from the Water Utility Fund including two to the Storm Water Maintenance and three to the Waterway Maintenance activities at a cost of \$140,400. Budgeted Salary/Wage Savings is decreased by \$40,000. These increases are offset by \$111,800 in decreases to salary line items including \$40,000 in Overtime and \$71,800 in Pending Personnel Actions. Contractual Services increases by \$227,700. Included is \$162,800 for increased Central Garage vehicle rental fees, \$61,900 for crane rental in the Waterway Maintenance activity. Materials and Supplies increase by \$75,500, which is primarily in general operating and maintenance supplies. Equipment is decreased by \$193,000, which is primarily related to one-time start-up costs budgeted in Fiscal 2006 for the new Waterways Maintenance activity.

DEPARTMENT OF TRANSPORTATION – The appropriation for Fiscal 2007 is \$89.4 million, an increase of \$6.2 million or 7.5% above the Fiscal 2006 level of appropriation. The appropriation includes \$1.9 million to pay for negotiated salary increases. Funding in the net amount of \$195,900 is provided in Pending Personnel Actions. Included is \$126,700 to create three engineering positions in Street Lighting and \$105,200 to create one superintendent and one engineering position in the Transportation Maintenance Division. Salary/Wage Savings is decreased by \$309,500. Contractual Services increased by \$1.6 million. Included is \$1.5 million for increased Central Garage vehicle rental fees; \$59,000 for cleaning services at the Abandoned Vehicles lot; \$150,000 to fabricate special tools and install fiber optic cable in the City's traffic control system and \$125,000 for the Highway Maintenance and Street Lighting divisions in order to align the budget with the actual level of expenditures offset by a \$383,200 reduction for gas, electric and stream. This reduction is due to the installation of energy efficient Light Emitting Diode (LED) lamps utilized in the City's traffic signal system. In addition, the appropriation includes \$1.5 million for Materials and Supplies primarily in general operating and maintenance supplies, and \$223,800 in Equipment to purchase replacement bucket trucks (\$160,000) and for computer hardware and software (\$42,400). In addition, Transfer Credits earned by charging the capital budget for engineers and inspectors who work in the Engineering and Construction program is reduced by \$1.0 million. Prior Board of Estimates action approved during Fiscal 2006 created five positions (4 engineering, 1 supervisory) for the Traffic Maintenance Division at a cost of \$231,900.

Parking Management Fund

OPERATING APPROPRIATIONS	\$10.2	\$11.3	\$12.4	\$1.1	9.4%
FULL-TIME POSITIONS	103	101	101	0	0.0%

DEPARTMENT OF TRANSPORTATION – The appropriation for Fiscal 2007 is \$12.4 million, an increase of \$1.1 million or 9.4% above the Fiscal 2006 level of appropriation. The appropriation includes a \$198,800 increase to cover negotiated salary increases for full and part-time parking enforcement personnel; a net of \$192,600 for the purchase of 66 handheld ticket writers; \$231,300 for increased maintenance and repair of real property and security alarm service expenses for the City's off-street parking facilities; \$226,000 to provide continued funding for the multi-space meter program and \$33,300 in increased worker's compensation costs.

Waste Water Utility Fund

	\$138.3	\$145.6	\$158.5	\$12.9	8.9%
OPERATING APPROPRIATIONS					
FULL-TIME POSITIONS	1,086	1,069	1,059	(10)	(0.9)%

DEPARTMENT OF PUBLIC WORKS – The appropriation for Fiscal 2007 is \$158.5 million, an increase of \$12.9 million or 8.9% above the Fiscal 2006 level of appropriation. The appropriation includes \$2.4 million for full-time salary and benefit increases. Budgeted Salary/Wage Savings is reduced by \$120,300. These increases are offset by \$221,600 in reductions including a \$180,700 decrease in Overtime and a \$40,900 decrease in Pending Personnel Actions. Contractual Services increased by a net of \$1.9 million. Included is a \$2.9 million increase for sludge heat drying services; \$511,200 for increased Central Garage vehicle rental fees; \$100,000 increase for composting offset by a \$1.7 million decrease for gas, electric and steam due to the loss of a major surcharge customer. The appropriation for Material and Supplies is increased by \$1.8 million including \$1.6 million for chemicals. The appropriation for Debt Service is increased by \$7.2 million including \$1.2 million in principal and \$5.7 million in interest for Revenue Bonds.

The appropriation includes a net decrease of nine positions. Included is the abolishment of 11 vacant positions and a net of two positions are transferred from the Water Utility Fund.

Water Utility Fund

OPERATING APPROPRIATIONS	\$97.9	\$104.9	\$115.2	\$10.3	9.8%
FULL-TIME POSITIONS	936	926	900	(26)	(2.8)%

DEPARTMENT OF PUBLIC WORKS – The appropriation for Fiscal 2007 is \$115.2 million, an increase of \$10.3 million or 9.8% above the Fiscal 2006 level of appropriation. The appropriation includes \$965,200 for full-time salary and benefit increases. Budgeted Salary/Wage Savings is reduced by \$664,300. Pending Personnel actions are increased by a net of \$100,600 including \$73,000 for a classification study of watershed maintenance positions and \$168,800 to create one engineering and six water system positions for water filtration plants. Contractual Services increases by \$3.4 million. Included is \$755,300 to pay private vendors to repair street cuts; \$220,000 for security guard services for the Haven Street and Washington Boulevard yards; \$182,000 for consultant engineering services; \$188,600 for engineering studies and security services for water filtration plants; \$529,600 for increased sewer and water fees and \$707,200 for increased Central Garage vehicle rental fees. Material and Supplies increase by \$1.1 million. Included is \$652,300 for chemicals; \$154,600 for electrical supplies and \$267,400 for general operating and equipment maintenance and repair supplies. Worker's compensation costs are increased by \$237,100. The appropriation for Debt Service is increased by \$3.4 million, including \$4.5 million in interest offset by a decrease of \$1.2 million in principal for Revenue Bonds.

The appropriation includes a net decrease of 26 positions. Twenty vacant positions are abolished. Seven positions are transferred to other funds including five positions to the Motor Vehicle Fund in the Storm Water Division and two positions to the Waste Water Fund. One utility meter supervisory position was created by the Board of Estimates during Fiscal 2006.

Parking Enterprise Fund

		g	7		
OPERATING APPROPRIATIONS	\$24.7	\$27.3	\$25.3	\$(2.0)	(7.5)%

DEPARTMENT OF TRANSPORTATION – The appropriation for Fiscal 2007 is \$25.3 million, a decrease of \$2.0 million or 7.5% below the Fiscal 2006 level of appropriation. The appropriation includes an increase in garage operations of \$319,700 which includes \$98,800 for increased gas, electric and steam costs and a \$181,900 increase for taxes and licenses primarily related to the operation of the Water Street Garage. Debt Service obligations are \$19.6 million, a

decrease of \$2.4 million or 12.1%. The decrease is in interest of \$3.2 million due to the refinancing existing debt offset by an increase in principal of \$818,200.

Federal Grants

OPERATING APPROPRIATIONS	219.3	\$218.7	\$213.0	\$(5.7)	(2.6)%
FULL-TIME POSITIONS	1,135	1,026	736	(290)	(28.3)%

COMMISSION ON AGING AND RETIREMENT EDUCATION – The appropriation for Fiscal 2007 is \$4.8 million, an increase of \$125,500 or 2.7% above the Fiscal 2006 level of appropriation. The appropriation includes \$87,300 for negotiated salary and benefit increases.

FIRE DEPARTMENT – The appropriation for Fiscal 2007 is \$10.7 million, an increase of \$4.2 million or 64.6% above the Fiscal 2006 level of appropriation. The appropriation is based upon anticipated Federal Emergency Management Agency (FEMA) grants for materials and training related to homeland security and domestic preparedness.

HEALTH DEPARTMENT – The appropriation for Fiscal 2007 is \$111.8 million, a decrease of \$1.0 million or 0.9% below the Fiscal 2006 level of appropriation. The appropriation includes a reduction of \$251,000 due to the elimination of two Sexually Transmitted Disease grants. Seven positions and \$359,000 are transferred to the General Fund to maintain operations at the Men's Health Center. These reductions are offset by an increase of \$676,600 for the Homeless Services Administration; \$248,000 for drug treatment programs to reduce recidivism through rapid assessment and admission to treatment; \$923,800 for HIV Emergency Relief and \$740,000 for Operation Safe Streets. There is also a \$1.5 million decrease Homeless Services to align the budget with the actual level of grant award.

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT – The appropriation for Fiscal 2007 is \$44.3 million, a net decrease of \$6.7 million or 13.1% below the Fiscal 2006 level of appropriation. This includes a net reduction in Community Development Block Grant (CDBG) funds of \$7.0 million. Of this amount, \$3.0 million which supported the operating budget is transferred to the capital budget for Fiscal 2007. These monies will be used to support the Affordable Housing Fund. The Indirect Cost Allocation Plan (ICAP) is reduced by \$1.2 million reflecting the shift in direct costs from the Federal Fund to the General Fund. In addition, for Fiscal 2007 CDBG costs are projected to increase by \$2.8 million. These costs are transferred to the Federal Fund. Of this amount, \$1.8 million reflects a reduction due to the projected yield derived from the calculation of this grant's funding formula for next fiscal year and an additional \$1.0 million represents projected increased operating costs.

As a result, 193 positions with a value of \$4.8 million are transferred to the General Fund as well as 5 positions with a cost of \$396,900 transferred to the Special Fund. One position with a value

of \$49,700 is transferred to the Federal Fund from the State Fund. Head Start grants are increased by \$230,000 based upon the anticipated grant award level. This discussion does not include the Baltimore Development Corporation (BDC).

MAYOR'S OFFICE OF CHILDREN, YOUTH AND FAMILIES – The appropriation for Fiscal 2007 is \$300,000, a decrease of \$412,900 or 57.9% below the Fiscal 2006 level of appropriation. The decrease is related to the elimination of the TAMAR grant in the amount of \$412,700 which expired during Fiscal 2006.

MAYOR'S OFFICE OF EMPLOYMENT DEVELOPMENT – The appropriation for Fiscal 2007 is \$16.0 million, a decrease of \$1.4 million or 8.0% below the Fiscal 2006 level of appropriation. The Youth Opportunity program expires at the end of Fiscal 2006. The appropriation includes the transfer of 24 positions and \$3.0 million to the General Fund to support program operations. The Workforce Investment Act – Displaced Adults (JTPAIWIA) grant is reduced by \$1.4 million. Of this amount, \$1.0 million is provided in the General Fund appropriation to continue program operations. Additionally six positions and \$245,400 are transferred to the General Fund to provide job training services under the Ex-Offender program. A total of 50 vacant unfunded positions with a cost of \$1.6 million are abolished due to a reduction in funds made available to the City. Three positions are to be transferred to the State Fund at a cost of \$166,500.

STATE'S ATTORNEY'S OFFICE – The appropriation for Fiscal 2007 is \$1.6 million, a decrease of \$113,100 or 6.6% below the Fiscal 2006 level of appropriation. The appropriation includes the transfer of 12 positions (9 community liaison, 3 support) in the Community Services activity to the General Fund at a cost of \$628,300. The appropriation also includes the transfer of one position from a Domestic Violence grant which has expired to the General Fund at a cost of \$54,600.

State Grants

Position	Actual Fiscal 2005	2006 Budget	BO W - Fiscal 2001	Change	Percent
OPERATING APPROPRIATIONS	\$64.5	\$62.4	\$63.4	\$1.0	1.6%
FULL-TIME POSITIONS	446	358	351	(7)	(2.0)%

CIRCUIT COURT – The appropriation for Fiscal 2007 is \$4.2 million, an increase of \$338,600 or 8.9% above the Fiscal 2006 level of appropriation. The appropriation includes a new grant for \$156,800 to fund two new positions (1 clerical, 1 social work) to perform medical evaluations in the Juvenile Division. The appropriation was awarded after the start of Fiscal 2006. A grant increase of \$249,100 is appropriated to increase services in the Family Division to serve families in crisis. The agency plans to use this funding to create two attorney and one paralegal contractual positions.

COMMISSION ON AGING AND RETIREMENT EDUCATION – The appropriation for Fiscal 2007 is \$3.9 million, an increase of \$176,700 or 4.8% above the Fiscal 2006 level of appropriation. The appropriation includes \$71,000 to pay for negotiated salary and benefit increases.

ENOCH PRATT FREE LIBRARY – The appropriation for Fiscal 2007 is \$10.5 million, an increase of \$175,800 or 1.7% above the Fiscal 2006 level of appropriation. The appropriation includes a net increase of \$145,200 to pay for negotiated salary and benefit increases. Equipment is increased by \$366,300 for the purchase of library books and periodicals. Also appropriated is \$41,500 to fund the creation of one librarian position approved by the Board of Estimates during Fiscal 2006. This position will provide library service at the Baltimore City Detention Center. Transfer Credits are reduced by \$413,900. Previously, these funds were utilized to support General Fund operations.

HEALTH DEPARTMENT – The appropriation for Fiscal 2007 is \$17.9 million, a decrease of \$842,300 or 4.5% below the Fiscal 2006 level of appropriation. The appropriation includes a decrease of \$1.7 million for a Lead Paint Initiative which was budgeted but not awarded during Fiscal 2006. In addition, the appropriation includes a \$758,900 increase in Medicaid Transportation Service funds made available to the City.

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT – The appropriation for Fiscal 2007 is \$10.4 million, an increase of \$1.1 million or 11.8% above the Fiscal 2006 level of appropriation. This includes an additional \$283,800 for Summer Food Assistance Program; \$106,800 for Weatherization Program to assist an estimated 25 additional households; \$755,000 for the Energy Assistance Program due to anticipated increase in heating fuels and \$17,000 for Head Start. A net of five positions with a value of \$334,100 are transferred including one position to the Federal Fund (\$49,400) and four positions to the Special Fund (\$284,700).

Special Fund

		ea	s #1 ^r 2	an	' - #nge,1
OPERATING APPROPRIATIONS	\$42.3	\$43.7	\$42.4	\$(1.3)	(3.0)%
FULL-TIME POSITIONS	420	381	400	19	5.0%

COMMISSION ON AGING AND RETIREMENT EDUCATION – The appropriation for Fiscal 2007 is \$448,300, a decrease of \$316,000 or 41.3% below the Fiscal 2006 level of appropriation. The reduction is technical in nature and represents an adjustment to reflect the actual level of grant awards.

EMPLOYEES' RETIREMENT SYSTEMS – The appropriation for Fiscal 2007 is \$7.5 million, a decrease of \$584,100 or 7.2% below the Fiscal 2006 level of appropriation. Included in the

appropriation is a net increase of three positions. Prior Board of Estimates' action approved during Fiscal 2006 included the creation of four new positions for a new unit that will provide legal counsel for the Elected Officials' and Employees' Retirement Systems. Included are two attorneys, one paralegal and one clerical positions at a cost of \$291,000. This increase is offset by the abolishment of one filled public information officer position at a cost of \$68,600, an increase of \$355,000 in budgeted Salary/Wage Savings and a reduction in one-time Equipment costs of \$270,000. These monies previously were utilized to furnish and equip the agency's new headquarters location at 7 East Redwood Street.

HEALTH DEPARTMENT – The appropriation for Fiscal 2007 is \$9.4 million, a decrease of \$240,000 or 2.5% below the Fiscal 2006 level of appropriation. The appropriation includes a \$337,300 increase in the amount of Medical Assistance funds utilized by the Comprehensive School Health program. This increase is offset by reductions in grant funding made available to the City including \$250,000 for Operation Safe Kids, \$265,800 in Kellogg Foundation monies utilized for the Men's Health Center and a \$55,300 decrease in the Safe and Sound Family Support grant.

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT – The appropriation for Fiscal 2007 is \$2.6 million, a decrease of \$1.3 million or 34.2% below the Fiscal 2006 level of appropriation. The decrease is primarily related to \$1.2 million in Urban Development Action Grant (UDAG) funds that are transferred from the operating budget to the capital budget for Fiscal 2007. These monies will be used to support the Affordable Housing Fund. Nine positions at a cost of \$731,000 are transferred to the Special Fund including five from the Federal Fund (\$396,600) and four from the State Fund (\$284,700). In addition, prior Board of Estimates action during Fiscal 2006 approved the creation of 10 attorney positions in the Code Enforcement –Legal Section at a cost of \$498,500. In addition, there is a \$100,000 decrease in the Neighborhood Conservation Office due to the expiration of the Goldseker and Abell Foundation grants.

MAYOR'S OFFICE OF EMPLOYMENT DEVELOPMENT – The appropriation for Fiscal 2007 is \$0, a decrease of \$98,700 or 100.0% below the Fiscal 2006 level of appropriation. The decrease reflects the transfer of one position to the State Fund under the Heritage Areas grant.

POLICE DEPARTMENT – The appropriation for Fiscal 2007 is \$6.3 million, an increase of \$288,800 or 4.8% above the Fiscal 2006 level of appropriation. The increase includes an additional \$200,000 in Asset Sharing funds with the anticipation that additional revenue will be received from the forfeiture of seized assets. It is anticipated that this increase will be used to purchase computer equipment. An increase of \$75,000 in the 911 Emergency Call Service activity is for negotiated salary and benefit increases.

DEPARTMENT OF PUBLIC WORKS – The appropriation for Fiscal 2007 is \$1.1 million, an increase of \$650,000 or 130.0% above the Fiscal 2006 level of appropriation. The agency will utilize an additional \$500,000 in environmental citation fines to support the Sanitation Enforcement activity budgeted in the General Fund. In addition, \$150,000 in developer impact fees will be utilized to offset the cost to pay for a private vendor to perform clean up services on the Middle Branch of the Patapsco River.

The Children's Budget Expenditures

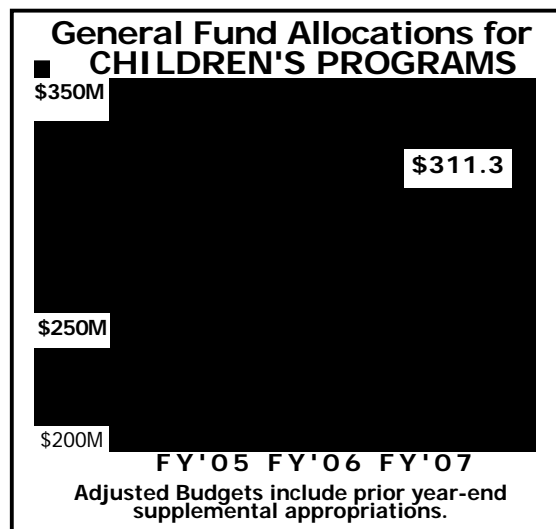
How the City of Baltimore Spends Its Dollars to Increase Educational, Cultural, Recreational, Health and Safety Opportunities for Children

The City budget is structured to benefit the people of Baltimore. Individuals and families depend on our local government to keep our City safe and clean, healthy, and rich with culture, recreation and education. All parts of the budget contribute to this goal. As part of this overall budget plan, the City has identified those resources that directly benefit our children. In the last two fiscal years Baltimore has increased General Fund spending for children by over 18.0% or \$48.9 million. More than one-half of the growth has been spent for schools. The City has also dramatically expanded its investment in our children with school-based and community-based after school and summer job programs, plus programs to keep children safe and healthy such as Operation Safe Kids and AIDS prevention outreach offered by the Health Department.

The General Fund Portion of the Budget that Supports Opportunities for Children

Function	FY 05 Budget	FY 06 Adjusted Budget	FY 07 Adjusted Budget	FY 05 v FY 07.
Schools	\$231,304,211	\$239,647,466	\$260,385,134	\$29,080,923
Educational Grants	1,140,006	1,380,986	1,382,756	242,750
Library	2,061,525	3,705,180	3,900,594	1,839,069
Health	1,219,148	3,608,299	2,309,748	1,090,600
Recreation	18,942,911	24,275,203	24,468,109	5,525,198
Cultural Programs	85,322	885,322	885,322	800,000
PAL Centers	3,764,605	4,132,951	3,755,544	(9,061)
After School Programs	1,983,000	7,359,000	7,708,572	5,725,572
Summer Jobs/Training	1,000,000	2,250,000	5,365,484	4,365,484
Legal Support	858,225	888,136	1,006,443	148,218
Miscellaneous	38,525	64,593	77,308	38,783
Total:	\$262,397,478	\$288,197,136	\$311,245,014	\$48,847,536

Note: The Fiscal 2006 and Fiscal 2007 budgets include the approved and proposed supplemental budgets from Fiscal 2005 and Fiscal 2006 surplus funds carried forward to the appropriate fiscal year. The Library is shown at 25% of total costs. Not included is the debt service for schools or child centered buildings.



Listed below is the Children's Budget for all funds including the City's contribution to the education, welfare and safety of children from Motor Vehicle funds, Federal and State Grant funds, and Special funds.

The Children's Budget - Total All Funds

Fund/Function	FY 05 Budget	FY 06 Adjusted Budget	FY 07 Adjusted Budget	FY 05 vs. FY 07
General Fund	\$262,397,478	\$288,197,136	\$311,245,014	\$48,847,536
MVR Fund				
School Transportation	3,654,000	3,654,000	3,654,000	0
Crossing Guards	4,477,000	4,561,000	4,800,000	323,000
Subtotal	8,131,000	8,215,000	8,454,000	323,000
Federal Funds				
Health	24,203,839	23,867,541	25,069,000	865,161
Head Start	28,521,993	28,701,359	28,927,230	405,237
Community Support	937,900	965,600	998,600	60,700
Child Care	1,554,407	1,459,952	868,532	(685,875)
Recreation	155,000	0	10,394	(144,606)
Legal Support	868,489	637,098	740,869	(127,620)
Great Program	340,000	340,000	340,000	0
After School Programs	0	300,000	299,224	299,224
Summer Jobs	9,789,151	3,337,778	2,824,750	(6,964,401)
Subtotal	66,370,779	59,609,328	60,078,599	(6,292,180)
State Funds				
Health	2,738,209	1,982,078	1,657,119	(1,081,090)
Head Start/Education	3,595,474	3,331,663	3,270,153	(325,321)
After School Programs	1,628,328	244,487	244,487	(1,383,841)
Summer Jobs	818,316	449,743	526,043	(292,273)
Recreation	620,688	466,585	626,994	6,306
Library	0	86,534	86,649	86,649
Subtotal	9,401,015	6,561,090	6,411,445	(2,989,570)
Special Funds				
Health	5,744,056	6,938,312	7,119,756	1,375,700
Library	346,515	51,455	57,136	(289,379)
Recreation	1,012,848	896,635	892,941	(119,907)
Subtotal	7,103,419	7,886,402	8,069,833	966,414
Total All Funds:	\$353,403,691	\$370,468,956	\$394,258,891	\$40,855,200

F I S C A L 2 0 0 7

OPERATING APPROPRIATIONS BY FUND

	Fiscal 2006 Budget	Fiscal 2007 Budget	Dollar Change	Percent Change
Operating Funds				
Local and State-shared Funds				
General	\$1,102,796,000	\$1,189,923,000	\$87,127,000	7.9%
Motor Vehicle	169,124,000	180,027,000	10,903,000	6.4
Parking Management	11,304,000	12,368,000	1,064,000	9.4
Convention Center Bond	4,700,000	4,643,000	(57,000)	(1.2)
Total	1,287,924,000	1,386,961,000	99,037,000	7.7
Enterprise Funds				
Waste Water Utility	145,575,000	158,507,000	12,932,000	8.9
Water Utility	104,881,000	115,165,000	10,284,000	9.8
Parking Enterprise	27,321,000	25,272,000	(2,049,000)	(7.5)
Conduit Enterprise	7,199,000	7,073,000	(126,000)	(1.8)
Loan and Guarantee Enterprise	3,761,000	3,762,000	1,000	0.0
Total	288,737,000	309,779,000	21,042,000	7.3
Grant Funds				
Federal	218,753,919	213,043,168	(5,710,751)	(2.6)
State	62,446,424	63,468,026	1,021,602	1.6
Special	43,739,294	42,418,750	(1,320,544)	(3.0)
Total	324,939,637	318,929,944	(6,009,693)	(1.8)
Total Operating - All Funds	\$1,901,600,637	\$2,015,669,944	\$114,069,307	6.0%

OPERATING APPROPRIATIONS BY GOVERNMENTAL FUNCTION AND FUND
(Dollars)

Governmental Function	General	Motor Vehicle	Enterprise and Utility	Federal	State	Other Special Purpose	Total
Adjudication	44,316,967	0	0	2,953,759	7,966,552	50,000	55,287,278
Culture	7,270,407	0	0	321,504	0	0	7,591,911
Debt Service	91,347,065	8,043,612	67,274,710	0	0	236	166,665,623
Economic Development	41,222,990	2,816,564	420,100	25,304,680	3,552,297	7,033,000	80,349,631
Education	226,753,457	3,654,000	0	5,913,663	10,514,533	525,448	247,361,101
General Government	221,049,724	43,382,476	8,224,512	8,434,203	2,906,035	11,769,724	295,766,674
Health	23,818,660	0	0	90,120,828	14,606,353	9,314,099	137,859,940
Legislative	2,781,126	0	0	0	0	11,400	2,792,526
Public Safety	450,580,012	15,537,569	0	30,690,544	8,417,665	18,199,451	523,425,241
Public Service Enterprise	0	535,801	226,261,781	0	0	0	226,797,582
Recreation	25,949,143	4,337,049	0	242,300	1,895,640	883,941	33,308,073
Sanitation	46,292,676	29,074,298	0	28,600	0	1,150,000	76,545,574
Social Services	1,846,737	0	0	49,033,087	13,523,727	144,038	64,547,589
Transportation	6,694,036	72,645,631	7,597,897	0	85,224	10,348,413	97,371,201
Total	1,189,923,000	180,027,000	309,779,000	213,043,168	63,468,026	59,429,750	2,015,669,944

FISCAL 2007 OPERATING APPROPRIATIONS BY GOVERNMENTAL FUNCTION AND AGENCY
(Dollars)

	Adjudication	Culture	Debt Service	Economic Development	Education	General Government	Health	Legislative
Board of Elections	0	0	0	0	0	6,489,267	0	0
City Council	0	0	0	0	0	2,813,088	0	1,536,713
Community Relations Commission	0	0	0	0	0	832,741	0	0
Comptroller	0	0	0	0	0	4,664,970	0	0
Council Services	0	0	0	0	0	1,267	0	548,340
Courts: Circuit Court	13,741,544	0	0	0	0	404,419	0	0
Courts: Orphans' Court	449,154	0	0	0	0	0	0	0
Employees' Retirement	0	0	0	0	0	7,472,606	0	0
Enoch Pratt Free Library	0	0	0	0	31,405,454	1,586,411	0	0
Finance	0	0	0	0	0	13,539,651	0	0
Fire	0	0	0	0	0	7,035,449	0	0
Health	0	0	0	0	0	857,671	136,425,099	0
Housing and Community Development	0	0	0	15,864,515	5,916,363	11,328,804	1,145,646	0
Human Resources	0	0	0	0	0	2,527,173	0	0
Law	0	0	0	0	0	3,168,222	0	0
Legislative Reference	0	0	0	0	0	256,480	0	529,530
Liquor License Board	0	0	0	0	0	1,878,889	0	0
Mayorality	0	0	0	89,231	0	3,441,029	0	0
Mayorality-related								
Art and Culture	0	6,932,457	0	0	0	0	0	0
Baltimore City Public Schools	0	0	0	0	207,940,795	0	0	0
Cable and Communications	0	0	0	0	0	2,303,562	0	0
Civic Promotion	0	0	0	11,599,239	0	35,625	0	0
Commission on Aging/Retire. Educ.	0	0	0	0	0	8,757,454	0	0
Conditional Purchase Agreements	0	0	20,050,838	0	0	0	0	0
Contingent Fund	0	0	0	0	0	750,000	0	0
Convention Complex	0	0	0	20,543,672	0	395,830	0	0
Debt Service	0	0	79,372,095	0	0	0	250,295	0
Educational Grants	0	0	0	0	1,376,556	0	0	0
Employees' Retirement Contribution	0	0	0	0	0	27,144,867	0	0
Environmental Control Board	0	0	0	0	0	0	0	0
Health and Welfare Grants	0	0	0	0	0	0	24,900	0
Miscellaneous General Expenses	0	25,000	566,671	1,050,000	0	9,065,800	14,000	0
Office of Children, Youth and Families	0	0	0	0	0	0	0	0
Office of CitiStat Operations	0	0	0	0	0	509,792	0	0
Office of Employment Development	0	0	0	22,451,344	388,620	63,515	0	0
Office of Information Technology	0	0	0	0	0	11,277,655	0	0
Office of Neighborhoods	0	0	0	740,730	0	0	0	0
Office of the Inspector General	0	0	0	0	0	632,131	0	0
Office of the Labor Commissioner	0	0	0	0	0	487,502	0	0
Retirees' Benefits	0	0	0	0	0	91,483,875	0	0
Self-Insurance Fund	0	0	0	0	0	12,119,636	0	0
TIF Debt Service	0	0	0	2,899,236	0	0	0	0
Municipal and Zoning Appeals	0	0	0	0	0	388,651	0	0
Planning	0	634,454	0	0	0	2,841,957	0	0
Police	50,000	0	0	0	0	15,565,379	0	0
Public Works	0	0	49,422,016	933,133	276,205	26,676,867	0	177,943
Recreation and Parks	0	0	0	0	0	985,657	0	0
Sheriff	11,715,078	0	0	0	0	244,444	0	0
Social Services	0	0	0	0	0	0	0	0
State's Attorney	29,331,502	0	0	0	57,108	932,303	0	0
Transportation	0	0	17,254,003	4,178,531	0	13,986,483	0	0
Wage Commission	0	0	0	0	0	465,765	0	0
War Memorial Commission	0	0	0	0	0	353,787	0	0
Total	55,287,278	7,591,911	166,665,623	80,349,631	247,361,101	295,766,674	137,859,940	2,792,526

FISCAL 2007 OPERATING APPROPRIATIONS BY GOVERNMENTAL FUNCTION AND AGENCY
(Dollars)

Public Safety	Public Service Enterprise	Recreation	Sanitation	Social Services	Transportation	Total	
0	0	0	0	0	0	6,489,267	Board of Elections
0	0	0	0	0	0	4,349,801	City Council
159,989	0	0	0	0	0	992,730	Community Relations Commission
0	0	0	0	0	0	4,664,970	Comptroller
0	0	0	0	0	0	549,607	Council Services
0	0	0	0	0	0	14,145,963	Courts: Circuit Court
0	0	0	0	0	0	449,154	Courts: Orphans' Court
0	0	0	0	0	0	7,472,606	Employees' Retirement
0	0	0	0	0	0	32,991,865	Enoch Pratt Free Library
0	0	0	0	0	0	13,539,651	Finance
137,677,040	0	0	0	0	0	144,712,489	Fire
0	0	0	0	26,219,033	0	163,501,803	Health
7,875,183	0	1,837,500	28,600	34,634,163	100,000	78,730,774	Housing and Community Development
0	0	0	0	0	0	2,527,173	Human Resources
0	0	0	0	0	0	3,168,222	Law
0	0	0	0	0	0	786,010	Legislative Reference
0	0	0	0	0	0	1,878,889	Liquor License Board
0	0	0	0	347,604	0	3,877,864	Mayoralty
							Mayoralty-related
0	0	0	0	0	0	6,932,457	Art and Culture
0	0	0	0	0	0	207,940,795	Baltimore City Public Schools
0	0	0	0	0	0	2,303,562	Cable and Communications
0	0	0	0	0	0	11,634,864	Civic Promotion
0	0	0	0	1,771,023	0	10,528,477	Commission on Aging/Retire. Educ.
0	0	0	0	0	0	20,050,838	Conditional Purchase Agreements
0	0	0	0	0	0	750,000	Contingent Fund
0	0	0	0	0	0	20,939,502	Convention Complex
0	0	0	0	0	0	79,622,390	Debt Service
0	0	0	0	0	0	1,376,556	Educational Grants
58,324,000	0	0	0	0	0	85,468,867	Employees' Retirement Contribution
0	0	0	449,599	0	0	449,599	Environmental Control Board
0	0	0	0	69,783	0	94,683	Health and Welfare Grants
0	0	1,266,610	0	0	0	11,988,081	Miscellaneous General Expenses
0	0	0	0	1,275,983	0	1,275,983	Office of Children, Youth and Families
0	0	0	0	0	0	509,792	Office of CitiStat Operations
0	0	0	0	0	0	22,903,479	Office of Employment Development
0	0	0	0	0	0	11,277,655	Office of Information Technology
0	0	0	0	0	0	740,730	Office of Neighborhoods
0	0	0	0	0	0	632,131	Office of the Inspector General
0	0	0	0	0	0	487,502	Office of the Labor Commissioner
0	0	0	0	0	0	91,483,875	Retirees' Benefits
0	0	0	0	0	0	12,119,636	Self-Insurance Fund
0	0	0	0	0	0	2,899,236	TIF Debt Service
0	0	0	0	0	0	388,651	Municipal and Zoning Appeals
0	0	0	0	0	0	3,476,411	Planning
316,255,313	0	0	0	0	0	331,870,692	Police
0	226,797,582	0	76,067,375	0	0	380,351,121	Public Works
0	0	30,203,963	0	0	0	31,189,620	Recreation and Parks
0	0	0	0	0	0	11,959,522	Sheriff
0	0	0	0	230,000	0	230,000	Social Services
43,716	0	0	0	0	0	30,364,629	State's Attorney
3,090,000	0	0	0	0	97,271,201	135,780,218	Transportation
0	0	0	0	0	0	465,765	Wage Commission
0	0	0	0	0	0	353,787	War Memorial Commission
523,425,241	226,797,582	33,308,073	76,545,574	64,547,589	97,371,201	2,015,669,944	Total

**FISCAL 2007 OPERATING BUDGET
COMPARED WITH FISCAL 2006 BUDGET AND FISCAL 2004 AND 2005 ACTUAL EXPENDITURES**

AGENCY, PROGRAM AND FUND	FISCAL 2004 ACTUAL	FISCAL 2005 ACTUAL	FISCAL 2006 BUDGET	FISCAL 2007 BUDGET
Board of Elections	3,712,845	3,054,405	5,925,353	6,489,267
180 Voter Registration and Conduct of Elections	3,712,845	3,054,405	5,925,353	6,489,267
General	3,712,845	3,054,405	5,675,353	6,489,267
Federal	0	0	250,000	0
City Council	3,865,459	3,557,646	3,549,490	4,349,801
100 City Legislation	3,865,459	3,557,646	3,549,490	4,349,801
General	3,865,459	3,557,646	3,549,490	4,349,801
Community Relations Commission	874,116	875,337	937,556	992,730
156 Development of Intergroup Relations	874,116	875,337	937,556	992,730
General	820,298	819,172	880,000	930,520
Federal	53,818	56,165	57,556	62,210
Comptroller	16,443,752	17,455,003	17,241,420	17,219,540
130 Executive Direction and Control	623,801	428,256	487,232	543,790
General	623,801	428,256	487,232	543,790
131 Audits	2,888,608	2,933,080	3,017,995	3,356,143
General	2,888,608	2,933,080	3,017,995	3,356,143
132 Real Estate Acquisition and Management	581,46	585,544	729,474	765,037
General	581,460	513,85	556,072	639,250
Special	0	71,690	173,402	125,787
133 Municipal Telephone Exchange	11,838,620	12,836,752	12,447,566	11,924,049
Internal Service	11,838,620	12,836,752	12,447,566	11,924,049
136 Municipal Post Office	511,263	671,371	559,153	630,521
Internal Service	511,263	671,371	559,153	630,521
Council Services	481,040	495,037	541,762	549,607
103 Council Services	481,040	495,037	541,762	549,607
General	481,040	495,037	541,762	549,607
Courts: Circuit Court	12,202,319	12,086,742	13,164,046	14,145,963
110 Circuit Court	12,202,319	12,086,742	13,164,046	14,145,963
General	7,165,365	7,364,002	8,032,939	8,626,587
Federal	1,241,584	977,962	1,289,127	1,338,824
State	3,794,317	3,718,546	3,841,980	4,180,552
Special	1,053	26,232	0	0
Courts: Orphans' Court	409,552	406,209	429,012	449,154
112 Orphans' Court	409,552	406,209	429,012	449,154
General	409,552	406,209	429,012	449,154
Employees' Retirement Systems	3,130,908	7,792,864	8,056,692	7,472,606
152 Employees' Retirement System	1,610,155	5,216,608	4,553,687	4,474,114
Special	1,610,155	5,216,608	4,553,687	4,474,114
154 Fire and Police Retirement System	1,520,753	2,576,256	3,503,005	2,998,492
Special	1,520,753	2,576,256	3,503,005	2,998,492
Enoch Pratt Free Library	26,575,039	27,220,38	30,440,181	32,991,865
450 Administrative and Technical Services	5,894,273	6,574,812	6,905,151	7,410,200
General	4,984,390	5,267,614	4,797,428	5,205,836
State	501,360	570,214	1,611,596	1,673,760
Special	408,523	736,984	496,127	530,604
452 Neighborhood Services	8,552,447	8,767,306	8,282,154	9,545,292
General	8,552,739	8,767,306	8,195,505	9,458,643
State	0	0	86,649	86,649
Special	(292)	0	0	0

**FISCAL 2007 OPERATING BUDGET
COMPARED WITH FISCAL 2006 BUDGET AND FISCAL 2004 AND 2005 ACTUAL EXPENDITURES**

AGENCY, PROGRAM AND FUND	FISCAL 2004 ACTUAL	FISCAL 2005 ACTUAL	FISCAL 2006 BUDGET	FISCAL 2007 BUDGET
Enoch Pratt Free Library (cont.)				
453 State Library Resource Center	12,128,319	11,878,264	15,252,876	16,036,373
General	5,362,816	4,519,918	6,625,355	7,295,184
State	6,765,503	7,358,346	8,627,521	8,741,189
Finance	20,276,392	21,001,381	21,160,296	23,572,374
140 Administrative Direction and Control	781,010	816,116	963,979	1,000,191
General	781,010	816,116	963,979	1,000,191
141 Budget and Management Research	1,045,767	842,512	984,101	1,059,828
General	1,045,767	842,512	984,101	1,059,828
142 Accounting and Payroll Services	5,289,448	4,828,337	5,449,128	5,802,376
General	2,282,055	1,988,354	2,294,706	2,639,067
Loan and Guarantee Enterprise	2,966,234	2,704,555	3,154,422	3,163,309
Internal Service	41,159	135,428	0	0
144 Purchasing	4,818,781	6,034,066	5,151,867	5,375,342
General	1,423,927	1,802,267	2,085,357	2,421,210
Internal Service	3,394,854	4,231,799	3,066,510	2,954,132
150 Treasury Management	2,915,640	3,006,234	2,842,008	3,256,046
General	2,915,640	3,006,234	2,842,008	3,256,046
153 Risk Management Operations	5,425,746	5,474,116	5,769,213	7,078,591
Internal Service	5,425,746	5,474,116	5,769,213	7,078,591
Fire	123,391,539	127,489,924	136,856,847	144,712,489
210 Administrative Direction and Control	2,909,298	2,662,039	7,887,430	9,375,689
General	2,909,298	2,662,001	7,887,430	9,375,689
Special	0	38	0	0
211 Training	1,849,327	2,157,775	2,003,437	2,083,002
General	1,849,327	2,157,775	2,003,437	2,083,002
212 Fire Suppression	89,513,333	92,039,360	97,879,832	99,006,639
General	88,964,218	88,587,824	91,697,832	91,130,731
Federal	477,994	3,400,651	6,082,000	7,825,908
State	71,121	50,885	100,000	50,000
213 Fire Marshal	3,085,071	2,977,375	3,389,663	4,166,159
General	3,054,641	2,927,050	3,289,663	3,656,159
Federal	2,178	17,905	20,000	500,000
State	28,252	32,420	70,000	0
Special	0	0	10,000	10,000
214 Support <i>Services</i>	5,178,169	6,243,953	6,665,591	7,703,124
General	4,040,451	4,836,539	5,689,256	6,538,391
Federal	0	0	0	200,000
State	1,137,718	1,407,414	976,335	964,733
215 Fire Alarm and Communications	3,298,197	3,720,993	3,605,919	4,037,840
General	3,296,507	3,717,413	3,600,919	4,027,840
State	1,690	3,580	5,000	10,000
219 Non-actuarial Retirement Benefits	79,659	56,136	135,000	135,000
General	79,659	56,136	135,000	135,000
319 Ambulance Service	17,478,485	17,632,293	15,289,975	18,205,036
General	6,979,908	6,804,281	3,801,475	4,977,996
Federal	137,809	246,343	410,000	2,150,040
State	67,743	21,424	88,500	77,000
Special	10,293,025	10,560,245	10,990,000	11,000,000

**FISCAL 2007 OPERATING BUDGET
COMPARED WITH FISCAL 2006 BUDGET AND FISCAL 2004 AND 2005 ACTUAL EXPENDITURES**

AGENCY, PROGRAM AND FUND		FISCAL 2004 ACTUAL	FISCAL 2005 ACTUAL	FISCAL 2006 BUDGET	FISCAL 2007 BUDGET
Health		184,451,891	124,992,028	163,299,702	163,501,803
240	Animal Control	1,899,422	1,992,029	2,075,498	2,420,303
	General	1,893,462	1,984,828	2,061,498	2,420,303
	Special	5,960	7,201	14,000	0
300	Administrative Direction and Control	3,242,313	2,737,971	3,679,412	3,672,494
	General	3,397,869	2,597,900	3,679,412	3,672,494
	Special	(155,556)	140,071	0	0
301	Baltimore Homeless Services	0	0	27,673,016	26,232,766
	General	0	0	266,000	357,962
	Federal	0	0	24,188,382	22,638,253
	State	0	0	3,212,471	3,223,168
	Special	0	0	6,163	13,383
302	Environmental Health	2,971,355	5,029,965	5,398,160	5,619,934
	General	2,432,724	3,292,812	3,817,440	4,021,961
	Federal	162,752	1244,838	1,245,674	1,228,865
	State	175,526	470,004	265,046	299,108
	Special	200,353	22,311	70,000	70,000
303	Special Purpose Grants	0	0	2,000,000	2,000,000
	Special	0	0	2,000,000	2,000,000
304	Health Promotion and Disease Prevention	40,808,581	38,091,222	34,308,040	35,059,238
	General	2,829,923	3,395,320	3,204,805	4,207,199
	Federal	37,162,976	33,471,300	30,536,993	30,225,222
	State	666,121	1,127,307	566,242	626,817
	Special	149,561	97,295	0	0
305	Health Services Initiatives	9,022,713	5,399,436	5,902,761	5,175,860
	General	295,627	355,027	180,219	52,286
	Federal	7,124,449	4,129,151	2,981,318	4,120,662
	State	1,225,861	900,861	2,461,411	778,334
	Special	376,776	14,397	279,813	224,578
306	General Nursing Services	7,890,491	8,675,018	9,727,604	10,564,708
	General	945,311	888,293	1,007,207	995,412
	Federal	251,523	(30,521)	125,054	232,219
	State	6,540,842	7,728,946	8,595,343	9,336,990
	Special	152,815	88,300	0	87
307	Mental Health Services	57,285,915	5,023,823	5,076,763	4,281,038
	General	1,801,658	1,789,737	1,799,359	2,049,359
	Federal	9,282,298	2,279,511	1,484,026	438,301
	State	46,201,959	954,575	1,793,378	1,793,378
308	Maternal and Child Health	18,829,163	17,818,482	17,501,253	17,694,697
	General	824,300	1,025,677	995,501	1,207,078
	Federal	16,956,577	15,419,109	15,052,017	15,494,156
	State	716,440	387,346	383,565	172,739
	Special	331,846	986,350	1,070,170	820,724
309	Child and Adult Care - Food	6,120,517	5,981,000	6,382,405	6,624,963
	Federal	6,120,517	5,981,000	6,382,405	6,624,963
310	School Health Services	10,392,689	9,785,198	12,438,437	12,722,361
	General	3,908,856	4,305,038	5,011,169	5,011,169
	Federal	(301,896)	545,502	1,071,669	1,073,131
	State	757,316	535,740	534,905	480,144
	Special	6,028,413	4,398,918	5,820,694	6,157,917

FISCAL 2007 OPERATING BUDGET
COMPARED WITH FISCAL 2006 BUDGET AND FISCAL 2004 AND 2005 ACTUAL EXPENDITURES

AGENCY, PROGRAM AND FUND		FISCAL 2004 ACTUAL	FISCAL 2005 ACTUAL	FISCAL 2006 BUDGET	FISCAL 2007 BUDGET
Health (cont.)					
311	Health Services for the Aging	25,988,732	24,457,884	31,136,353	31,433,441
	General	112,915	115,175	127,194	486,731
	Federal	24,910,901	23,140,680	29,736,775	29,680,734
	State	867,534	878,509	906,581	1,165,976
	Special	97,382	323,520	365,803	100,000
Housing and Community Development		94,685,580	98,424,796	77,718,790	78,730,774
119	Neighborhood Service Centers	3,981,188	4,564,975	4,391,834	4,625,329
	General	4,958	5,035	5,000	255,416
	Federal	1,230,778	1,806,290	1,557,918	1,496,596
	State	2,739,122	2,753,650	2,828,916	2,873,317
	Special	6,330	0	0	0
177	Administrative Direction and Control	4,649,773	4,518,773	5,477,306	5,582,253
	General	2,007,372	2,216,126	3,011,770	4,284,314
	Federal	677,839	471,349	995,464	993,512
	State	0	(157)	0	0
	Special	1,964,562	1,831,455	1,470,072	304,427
184	Energy Assistance and Emergency Food	2,365,385	1,948,753	1,934,500	2,682,334
	State	2,365,385	1,948,753	1,934,500	2,682,334
260	Construction and Building Inspection	4,587,340	4,376,869	4,885,885	4,897,450
	General	2,184,427	2,371,698	3,153,649	3,174,968
	Federal	780,073	517,421	582,236	572,482
	Special	1,622,840	1,487,750	1,150,000	1,150,000
357	Services for Homeless Persons	24,744,183	25,219,730	0	0
	General	246,42	258,814	0	0
	Federal	21,258,314	21,558,365	0	0
	State	2,916,841	3,478,222	0	0
	Special	322,60	(75,671)	0	0
570	Preservation of Historic Places	546,267	0	0	0
	General	252,744	0	0	0
	Federal	223,360	0	0	0
	Special	70,163	0	0	0
582	Finance and Development	6,576,276	6,098,424	4,636,386	4,852,815
	General	2,109,544	1,906,787	127,034	229,699
	Federal	4,285,961	4,157,467	4,279,352	4,493,116
	State	0	(177,295)	0	0
	Special	180,771	211,465	230,000	130,000
583	Neighborhood Services	10,545,300	12,367,914	12,342,153	11,873,102
	General	1,365,810	1,717,619	3,300,266	9,287,308
	Federal	6,697,938	8,504,667	7,993,192	1,468,018
	State	190,003	53,446	55,017	149,098
	Special	2,291,549	2,092,182	993,678	968,678
585	Baltimore Development Corporation	4,070,332	3,618,104	3,517,660	3,785,000
	General	2,804,826	2,496,937	2,707,660	2,975,000
	Federal	905,506	311,167	400,000	400,000
	Special	360,000	810,000	410,000	410,000
592	Special Housing Grants	2,146,879	107,037	350,000	350,000
	General	0	0	350,000	350,000
	Federal	2,036,879	(2,314)	0	0
	State	110,000	109,351	0	0

**FISCAL 2007 OPERATING BUDGET
COMPARED WITH FISCAL 2006 BUDGET AND FISCAL 2004 AND 2005 ACTUAL EXPENDITURES**

AGENCY, PROGRAM AND FUND	FISCAL 2004 ACTUAL	FISCAL 2005 ACTUAL	FISCAL 2006 BUDGET	FISCAL 2007 BUDGET
Housing and Community Development (cont.)				
593 Community Support Projects	4,427,512	3,134,104	5,458,548	5,497,850
General	0	0	10,850	10,850
Federal	4,031,512	2,885,972	5,447,698	5,487,000
Special	396,000	248,132	0	0
597 Weatherization	(252,764)	1,534,830	1,230,865	1,335,830
General	0	0	65,085	47,250
State	(252,764)	1,491,702	1,165,780	1,288,580
Special	0	43,128	0	0
604 Child Care Centers	1,372,531	1,500,311	1,460,413	868,532
Federal	1,372,531	1,500,311	1,460,413	868,532
605 Head Start	24,889,656	29,277,446	30,542,310	30,785,079
Federal	23,562,162	28,232,556	28,701,577	28,927,246
State	1,327,494	1,044,890	1,840,733	1,857,833
606 Arts and Education	35,722	157,526	1,490,930	1,595,200
Federal	(5,589)	306	0	0
State	41,311	157,220	1,490,930	1,595,200
Human Resources	6,859,855	7,049,896	5,406,781	5,414,217
160 Personnel Administration	6,169,824	6,395,437	4,414,053	4,671,162
General	1,656,016	1,648,391	2,261,059	2,527,173
Internal Service	4,513,808	4,747,046	2,152,994	2,143,989
161 Vision Care Program	690,031	654,459	992,728	743,055
Internal Service	690,031	654,459	992,728	743,055
Law	6,440,901	6,779,673	7,489,911	7,843,674
175 Legal Services	6,440,901	6,779,673	7,489,911	7,843,674
General	2,878,084	2,482,396	2,910,150	3,167,866
Special	0	0	0	356
Internal Service	3,562,817	4,297,277	4,579,761	4,675,452
Legislative Reference	681,21	726,681	787,504	786,010
106 Legislative Reference Service	438,814	481,619	530,664	529,572
General	438,814	481,619	519,264	518,172
Special	0	0	11,400	11,400
107 Archives and Records Management	242,401	245,062	256,840	256,438
General	242,401	245,062	256,840	256,438
Liquor License Board	1,669,029	1,661,793	1,780,488	1,878,889
250 Liquor Control	1,669,029	1,661,793	1,780,488	1,878,889
General	1,669,029	1,661,793	1,780,488	1,878,889
Mayorality	3,164,707	3,323,552	3,383,202	3,877,864
125 Executive Direction and Control	2,539,058	2,460,690	2,523,533	2,858,955
General	2,539,058	2,460,690	2,523,533	2,858,955
127 Office of State Relations	561,171	547,915	517,778	582,074
General	561,171	547,915	517,778	582,074
353 Office of Community Projects	64,478	314,947	341,891	436,835
General	184,067	194,657	201,891	296,835
Special	(119,589)	120,290	140,000	140,000
M-R: Art and Culture	5,992,292	5,434,887	6,061,486	6,932,457
492 Promotion of Art and Culture	1,216	(1,178)	0	0
Special	1,216	(1,178)	0	0
493 Art and Culture Grants	5,991,076	5,436,065	6,061,486	6,932,457
General	5,991,076	5,436,065	6,061,486	6,932,457

**FISCAL 2007 OPERATING BUDGET
COMPARED WITH FISCAL 2006 BUDGET AND FISCAL 2004 AND 2005 ACTUAL EXPENDITURES**

AGENCY, PROGRAM AND FUND	FISCAL 2004 ACTUAL	FISCAL 2005 ACTUAL	FISCAL 2006 BUDGET	FISCAL 2007 BUDGET
M-R: Baltimore City Public Schools	201,101,000	207,602,545	207,767,545	207,940,795
352 Baltimore City Public Schools	201,101,000	207,602,545	207,767,545	207,940,795
General	201,101,000	203,948,545	204,113,545	204,286,795
Motor Vehicle	0	3,654,000	3,654,000	3,654,000
M-R: Cable and Communications	1,259,868	954,681	2,021,604	2,303,562
572 Cable and Communications Coordination	1,259,868	954,681	2,021,604	2,303,562
General	341,694	296,892	389,099	413,292
Special	918,174	657,789	1,632,505	1,890,270
M-R: Civic Promotion	10,204,470	10,401,745	9,638,243	11,634,864
589 Office of Promotion and the Arts	1,706,131	1,812,240	1,910,786	1,904,000
General	1,706,131	1,812,240	1,910,786	1,904,000
590 Civic Promotion	8,498,339	8,589,505	7,727,457	9,730,864
General	8,498,339	8,589,505	7,727,457	9,430,864
Motor Vehicle	0	0	0	300,000
M-R: Commission for Women	0	(103,738)	0	0
120 Promotion of Equal Rights for Women	0	(103,738)	0	0
Special	0	(103,738)	0	0
M-R: Commission on Aging/Retire. Educ.	12,635,943	8,716,913	10,305,895	10,528,477
325 Senior Services	12,635,943	8,716,913	10,305,895	10,528,477
General	419,256	795,414	875,436	1,111,825
Motor Vehicle	325,000	286,320	325,000	325,000
Federal	6,365,290	2,911,419	4,645,937	4,771,405
State	4,549,951	3,767,049	3,695,224	3,871,909
Special	976,446	956,711	764,298	448,338
M-R: Conditional Purchase Agreements	17,947,859	15,082,295	20,050,498	20,058,559
129 Conditional Purchase Agreement Payments	17,947,859	15,082,295	20,050,498	20,058,559
General	17,405,968	14,723,283	19,435,099	19,451,911
Loan and Guarantee Enterprise	541,891	467,475	606,578	598,691
Special	0	0	451	236
Internal Service	0	(108,463)	8,370	7,721
M-R: Contingent Fund	54,344	149,519	750,000	750,000
121 Contingent Fund	54,344	149,519	750,000	750,000
General	54,344	149,519	750,000	750,000
M-R: Convention Complex	19,387,277	19,400,634	20,595,262	20,939,502
531 Convention Center Operations	18,943,950	19,113,541	20,145,262	20,489,502
General	11,325,280	12,602,905	11,845,262	12,846,502
Convention Center Bond	4,578,883	4,566,454	4,700,000	4,643,000
State	3,039,787	1,944,182	3,600,000	3,000,000
540 1st Mariner Arena Operations	443,327	287,093	450,000	450,000
General	443,327	287,093	450,000	450,000
M-R: Debt Service	53,137,955	69,892,482	79,528,381	79,622,390
123 General Debt Service	53,137,955	69,892,482	79,528,381	79,622,390
General	48,862,617	63,737,296	71,968,386	71,578,778
Motor Vehicle	4,275,338	6,155,186	7,559,995	8,043,612
M-R: Educational Grants	1,133,633	1,067,918	1,180,986	1,376,556
446 Educational Grants	1,133,633	1,067,918	1,180,986	1,376,556
General	1,133,633	1,067,918	1,180,986	1,376,556

FISCAL 2007 OPERATING BUDGET
COMPARED WITH FISCAL 2006 BUDGET AND FISCAL 2004 AND 2005 ACTUAL EXPENDITURES

AGENCY, PROGRAM AND FUND	FISCAL 2004 ACTUAL	FISCAL 2005 ACTUAL	FISCAL 2006 BUDGET	FISCAL 2007 BUDGET
M-R: Employees' Retirement Contribution	47,074,992	57,663,484	62,236,605	85,468,867
355 Employees' Retirement Contribution	47,074,992	57,663,484	62,236,605	85,468,867
General	44,707,792	53,808,484	56,794,605	77,635,867
Motor Vehicle	2,367,200	3,855,000	5,442,000	7,833,000
M-R: Environmental Control Board	317,721	359,445	365,955	449,599
117 Environmental Control Board	317,721	359,445	365,955	449,599
General	317,721	359,445	365,955	449,599
M-R: Health and Welfare Grants	58,600	76,593	81,968	94,683
385 Health and Welfare Grants	58,600	76,593	81,968	94,683
General	58,600	76,593	81,968	94,683
M-R: Miscellaneous General Expenses	13,158,668	17,959,175	11,139,956	11,988,081
122 Miscellaneous General Expenses	13,158,668	17,959,175	11,139,956	11,988,081
General	8,267,818	16,722,325	9,903,106	10,751,231
Motor Vehicle	4,890,850	1,236,850	1,236,850	1,236,850
M-R: Office of Children, Youth and Families	2,031,050	1,705,096	1,597,087	1,275,983
350 Children, Youth and Families	2,031,050	1,705,096	1,597,087	1,275,983
General	675,581	646,240	581,000	673,572
Federal	417,030	806,894	712,900	299,224
State	938,439	251,962	303,187	303,187
M-R: Office of CitiStat Operations	404,599	432,429	447,000	509,792
347 CitiStat Operations	404,599	432,429	447,000	509,792
General	404,599	432,429	447,000	509,792
M-R: Office of Employment Development	32,195,525	21,255,146	19,865,350	22,903,479
630 Administration (Title I)	(108,242)	233,266	231,459	262,354
General	194,434	288,884	214,323	203,736
Federal	(302,676)	(55,618)	17,136	58,618
631 Job Training Partnership (Titles II/III)	11,740,015	11,043,296	11,909,258	11,505,142
General	0	0	0	1,022,732
Federal	11,740,015	11,043,296	11,909,258	10,482,410
632 Special Housing Services	0	(1,866,370)	0	0
Special	0	(1,866,370)	0	0
633 Youth Initiatives	11,624,847	6,541,716	2,000,000	4,981,494
General	0	0	0	2,981,494
Federal	11,624,847	6,541,716	2,000,000	2,000,000
639 Special Services	8,938,905	5,303,238	5,724,633	6,154,489
General	1,625,923	1,574,378	1,633,528	2,120,157
Federal	4,763,778	2,984,157	3,542,685	3,503,436
State	2,190,583	695,126	449,743	530,896
Special	358,621	49,577	98,677	0
M-R: Office of Information Technology	9,124,037	10,349,193	10,643,789	11,277,655
147 Information Technology Services	3,423,984	3,241,809	2,593,067	2,820,280
General	3,423,984	3,241,809	2,593,067	2,820,280
151 Information Technology Support Services	5,700,053	7,107,384	8,050,722	8,457,375
General	5,700,053	7,107,384	8,050,722	8,457,375
M-R: Office of Neighborhoods	669,674	663,194	645,000	740,730
354 Neighborhoods	669,674	663,194	645,000	740,730
General	669,674	663,194	645,000	740,730
M-R: Office of the Inspector General	0	0	0	632,131
108 Office of the Inspector General	0	0	0	632,131
General	0	0	0	632,131

FISCAL 2007 OPERATING BUDGET
COMPARED WITH FISCAL 2006 BUDGET AND FISCAL 2004 AND 2005 ACTUAL EXPENDITURES

AGENCY, PROGRAM AND FUND	FISCAL 2004 ACTUAL	FISCAL 2005 ACTUAL	FISCAL 2006 BUDGET	FISCAL 2007 BUDGET
M-R: Office of the Labor Commissioner	600,767	539,587	469,939	487,502
128 Labor Relations	600,767	539,587	469,939	487,502
General	600,767	527,568	469,939	487,502
State	0	12,019	0	0
M-R: Retirees' Benefits	77,079,936	74,027,779	84,761,100	91,483,875
351 Retirees' Benefits	77,079,936	74,027,779	84,761,100	91,483,875
General	69,634,936	65,811,904	73,186,100	78,925,000
Motor Vehicle	7,445,000	8,215,875	11,575,000	12,558,875
M-R: Self-Insurance Fund	30,523,373	29,210,988	12,119,636	12,119,636
126 Contribution to Self-Insurance Fund	30,523,373	29,210,988	12,119,636	12,119,636
General	23,993,991	22,506,022	9,225,082	9,225,082
Motor Vehicle	6,529,382	6,704,966	2,894,554	2,894,554
M-R: TIF Debt Service	0	70,000	140,000	2,899,236
124 TIF Debt Service	0	70,000	140,000	2,899,236
General	0	70,000	140,000	2,899,236
Municipal and Zoning Appeals	285,391	303,616	371,000	388,651
185 Zoning, Tax and Other Appeals	285,391	303,616	371,000	388,651
General	285,391	303,616	371,000	388,651
Planning	2,277,924	2,466,055	3,374,602	3,476,411
187 City Planning	2,277,924	2,466,055	3,374,602	3,476,411
General	939,931	801,281	1,267,000	1,475,244
Motor Vehicle	735,005	574,228	725,006	704,035
Federal	537,061	1,013,651	1,182,596	1,157,132
State	65,927	76,895	200,000	140,000
Police	295,424,643	315,099,769	318,300,363	331,870,692
200 Administrative Direction and Control	24,869,703	24,292,689	28,281,214	31,944,711
General	24,703,2n	24,292,689	27,969,257	31,944,711
Motor Vehicle	0	0	311,957	0
Federal	152,251	0	0	0
Special	14,175	0	0	0
201 Field Operations Bureau	179,742,445	192,684,890	195,023,314	202,318,341
General	161,555,414	171,027,969	178,100,313	184,776,221
Federal	10,642,793	14,432,552	10,303,209	10,287,904
State	7,544,238	7,223,332	6,619,792	7,254,216
Special	0	1,037	0	0
202 Investigations	33,353,390	40,074,259	33,690,971	35,032,707
General	34,504,016	33,836,365	32,576,311	33,718,047
Federal	(2,050,228)	3,230,106	79,660	79,660
State	0	98,089	0	0
Special	899,602	2,909,699	1,035,000	1,235,000
203 Traffic	10,893,029	10,327,461	11,095,000	11,920,248
Motor Vehicle	10,865,030	10,316,497	11,077,000	11,902,248
State	27,999	0	18,000	18,000
Special	0	10,964	0	0
204 Services Bureau	29,689,584	34,452,867	31,779,630	31,677,200
General	24,949,306	25,226,652	27,050,390	26,859,182
Federal	1,277,076	5,502,243	0	0
Special	3,463,202	3,723,972	4,729,240	4,818,018
205 Non-actuarial Retirement Benefits	4,127,835	3,388,317	2,957,804	2,417,620
General	4,127,835	3,388,317	2,957,804	2,417,620

FISCAL 2007 OPERATING BUDGET
COMPARED WITH FISCAL 2006 BUDGET AND FISCAL 2004 AND 2005 ACTUAL EXPENDITURES

AGENCY, PROGRAM AND FUND	FISCAL 2004 ACTUAL	FISCAL 2005 ACTUAL	FISCAL 2006 BUDGET	FISCAL 2007 BUDGET
Police (cont.)				
207 Research and Development	5,243,975	4,657,105	4,835,203	4,784,740
General	5,043,975	4,633,994	4,835,203	4,784,740
Federal	200,000	23,111	0	0
224 Office of Criminal Justice	7,504,682	5,222,181	10,637,227	11,775,125
General	301,087	372,341	454,441	1,603,093
Federal	6,479,448	3,882,202	9,907,786	9,897,032
State	586,122	844,794	0	0
Special	138,025	122,844	275,000	275,000
Public Works	342,733,502	342,968,045	390,850,488	427,905,242
189 Fleet Management	37,946,985	38,646,306	40,812,366	47,554,121
Internal Service	37,946,985	38,646,306	40,812,366	47,554,121
190 Departmental Administration	707,814	533,133	3,475,601	3,951,723
General	134,941	91,003	981,018	1,181,879
Motor Vehicle	572,873	442,130	2,494,583	2,769,844
191 Permits	2,483,053	2,276,839	2,327,979	2,503,877
General	554,416	664,168	509,577	656,306
Motor Vehicle	1,928,637	1,612,671	1,818,402	1,847,571
193 Facilities Management	23,196,021	21,487,687	19,243,590	22,489,934
General	23,196,021	21,487,687	19,243,590	22,489,934
198 Engineering/Construction Management	414,634	524,573	314,131	535,263
General	176,553	481,754	132,533	356,337
Motor Vehicle	238,081	42,819	181,598	178,926
513 Solid Waste Special Services	26,899,246	26,253,486	28,851,661	30,256,052
General	395,480	2,589	2,818,000	4,781,735
Motor Vehicle	26,485,999	25,567,550	26,033,661	25,474,317
Federal	17,767	(17,633)	0	0
Special	0	700,980	0	0
515 Solid Waste Collection	17,092,979	17,266,720	18,974,876	20,659,076
General	15,342,548	15,497,346	16,598,735	17,748,415
Motor Vehicle	1,743,627	1,769,374	1,876,141	1,760,661
Special	6,804	0	500,000	1,150,000
516 Solid Waste Environmental Services	16,134,628	13,682,623	21,828,969	21,494,496
General	14,871,271	12,414,793	21,828,969	21,494,496
Motor Vehicle	1,263,357	1,267,830	0	0
518 Storm Water Maintenance	3,329,543	3,610,172	4,565,315	4,788,700
Motor Vehicle	3,329,543	3,610,172	4,565,315	4,788,700
544 Sanitary Maintenance	13,211,316	12,333,776	16,269,448	16,243,606
Waste Water Utility	13,211,316	12,333,776	16,269,448	16,243,606
546 Water Maintenance	24,214,705	22,468,601	23,266,499	24,766,528
Water Utility	24,214,705	22,468,601	23,266,499	24,766,528
547 Meter Operations	3,077,731	3,448,679	3,435,769	3,548,121
Water Utility	3,077,731	3,448,679	3,435,769	3,548,121
550 Waste Water Facilities	75,815,013	75,115,107	84,253,813	88,779,339
Waste Water Utility	75,815,013	75,115,107	84,253,813	88,779,339
552 Water Facilities	26,442,964	32,733,575	34,656,508	37,984,785
Water Utility	26,442,964	32,733,575	34,656,508	37,984,785
553 Water Engineering	11,091,260	11,443,824	15,580,012	16,982,892
Water Utility	11,091,260	11,443,824	15,580,012	16,982,892

FISCAL 2007 OPERATING BUDGET
COMPARED WITH FISCAL 2006 BUDGET AND FISCAL 2004 AND 2005 ACTUAL EXPENDITURES

AGENCY, PROGRAM AND FUND		FISCAL 2004 ACTUAL	FISCAL 2005 ACTUAL	FISCAL 2006 BUDGET	FISCAL 2007 BUDGET
Public Works (cont.)					
554	Waste Water Engineering	15,185,432	14,711,770	20,948,124	22,128,302
	Waste Water Utility	15,185,432	14,711,770	20,948,124	22,128,302
555	Environmental Services	3,168,672	3,006,047	3,832,214	3,912,973
	Waste Water Utility	2,620,039	2,552,116	3,332,720	3,399,298
	Water Utility	548,633	453,931	499,494	513,675
560	Facilities Engineering	633,704	741,220	545,699	533,902
	Waste Water Utility	408,501	310,430	356,895	359,455
	Water Utility	225,203	430,790	188,804	174,447
561	Utility Billing	8,734,529	8,435,900	8,822,914	9,369,536
	Water Utility	8,734,529	8,435,900	8,822,914	9,369,536
565	Utility Debt Service	32,953,273	34,248,007	38,845,000	49,422,016
	Waste Water Utility	14,866,882	17,464,360	20,414,000	27,597,000
	Water Utility	18,086,391	16,783,647	18,431,000	21,825,016
Recreation and Parks		27,807,753	25,628,203	29,139,182	31,189,620
471	Administrative Direction and Control	2,690,395	2,578,507	3,274,592	3,716,920
	General	2,103,618	2,063,165	3,265,592	3,577,938
	State	586,777	515,342	0	129,982
	Special	0	0	9,000	9,000
473	Municipal Concerts and Other Musical Events	46,336	32,703	36,958	36,308
	General	46,336	32,703	36,958	36,308
478	General Park Services	8,288,289	8,836,936	9,947,059	10,361,461
	General	7,485,841	7,737,422	9,503,284	9,917,464
	Motor Vehicle	0	287,649	400,000	400,000
	State	797,011	811,865	43,775	43,997
	Special		0	0	0
479	Special Facilities	933,167	925,542	□□□□□□□□	1,251,379
	General	823,076	853,349	931,168	1,104,979
	State	18,098	0	0	0
	Special	91,993	72,193	146,400	146,400
480	Regular Recreational Services	10,499,930	10,657,591	10,715,127	11,564,009
	General	9,823,772	10,136,249	10,152,680	11,001,562
	Federal	221,913	249,525	0	0
	State	379	97,268	129,000	129,000
	Special	453,866	174,549	433,447	433,447
482	Supplementary Recreational Services	2,705,348	361,424	307,262	322,494
	Federal	9,109	2,532	0	0
	State	2,461,180	56,992	0	0
	Special	235,059	301,900	307,262	322,494
505	Park and Street Trees	2,644,288	2,235,500	3,780,616	3,937,049
	Motor Vehicle	2,644,288	2,235,500	3,780,616	3,937,049
Sheriff		9,286,532	9,312,910	10,353,704	11,959,522
118	Sheriff Services	9,286,532	9,312,910	10,353,704	11,959,522
	General	9,243,750	9,193,600	10,286,804	11,935,022
	Federal	42,782	119,310	66,900	24,500
Social Services		191,885	166,056	230,000	230,000
365	Public Assistance	191,885	166,056	230,000	230,000
	General	191,885	166,056	230,000	230,000

**FISCAL 2007 OPERATING BUDGET
COMPARED WITH FISCAL 2006 BUDGET AND FISCAL 2004 AND 2005 ACTUAL EXPENDITURES**

AGENCY, PROGRAM AND FUND	FISCAL 2004 ACTUAL	FISCAL 2005 ACTUAL	FISCAL 2006 BUDGET	FISCAL 2007 BUDGET
State's Attorney	24,006,949	25,456,114	27,834,542	30,364,629
115 Prosecution of Criminals	24,006,949	25,456,114	27,834,542	30,364,629
General	18,020,951	19,370,141	22,324,621	24,918,056
Federal	2,239,606	2,152,302	1,680,006	1,566,857
State	3,645,893	3,883,659	3,779,915	3,829,716
Special	100,499	50,012	50,000	50,000
Transportation	115,047,175	114,265,070	130,158,099	135,780,218
195 Towing	8,937,719	8,054,688	9,166,986	9,550,126
General	632,599	164,251	402,504	407,337
Motor Vehicle	8,280,120	7,865,437	8,739,482	9,117,789
State	25,000	25,000	25,000	25,000
230 Administration	4,326,185	4,700,446	8,062,909	7,795,668
General	0	0	153,388	186,733
Motor Vehicle	4,125,955	4,396,977	7,400,132	7,154,711
Federal	133,701	222,866	375,000	375,000
State	66,529	80,603	134,389	79,224
231 Traffic Engineering	6,804,298	5,516,140	6,490,602	6,629,934
Motor Vehicle	6,804,298	5,516,140	6,490,602	6,629,934
232 Parking	4,326,119	5,312,156	4,972,485	5,230,793
Parking Management	4,328,082	5,312,156	4,972,485	5,230,793
Federal	(1,963)	0	0	0
233 Signs and Markings	3,275,472	7,438,608	8,994,816	10,890,022
Motor Vehicle	3,269,472	7,432,608	8,988,816	10,884,022
State	6,000	6,000	6,000	6,000
235 Parking Enforcement	5,206,277	4,823,735	6,331,515	7,137,207
Parking Management	5,206,277	4,823,735	6,331,515	7,137,207
238 School Crossing Guards	(1)	16,242	0	0
General	(1)	16,242	0	0
239 Traffic Safety	2,407,123	2,166,542	2,498,276	2,750,433
Motor Vehicle	2,407,123	2,166,542	2,498,276	2,750,433
500 Street Lighting	17,265,248	18,004,753	19,069,886	18,913,645
Motor Vehicle	16,834,684	17,529,189	19,069,886	18,913,645
Internal Service	430,564	475,564	0	0
501 Highway Maintenance	33,961,546	29,593,874	28,493,960	30,861,047
Motor Vehicle	33,961,546	29,593,874	28,493,960	30,861,047
503 Engineering and Construction	1,663,192	1,772,731	1,556,664	3,676,343
General	214,386	402,353	65,496	570,166
Motor Vehicle	1,448,806	1,370,378	1,491,168	3,106,177
548 Conduits	2,673,999	3,113,779	7,199,000	7,073,000
Conduit Enterprise	2,673,999	3,113,779	7,199,000	7,073,000
580 Parking Enterprise Facilities	24,199,998	23,751,376	27,321,000	25,272,000
Parking Enterprise	24,199,998	23,751,376	27,321,000	25,272,000
Wage Commission	412,993	387,421	461,000	465,765
165 Wage Enforcement	412,993	387,421	461,000	465,765
General	412,993	387,421	461,000	465,765
War Memorial Commission	300,963	313,512	334,000	353,787
487 Operation of War Memorial Building	300,963	313,512	334,000	353,787
General	300,963	313,512	334,000	353,787
GRAND TOTAL	1,863,185,432	1,853,677,561	1,971,989,298	2,093,381,575
LESS INTERNAL SERVICE FUND	68,355,847	72,061,655	70,388,661	77,711,631
TOTAL OPERATING APPROPRIATIONS	1,794,829,585	1,781,610,455	1,901,600,637	2,015,669,944

FISCAL 2007 OPERATING BUDGET
COMPARED WITH FISCAL 2006 BUDGET AND FISCAL 2004 AND 2005 ACTUAL EXPENDITURES

AGENCY, PROGRAM AND FUND	FISCAL 2004 ACTUAL	FISCAL 2005 ACTUAL	FISCAL 2006 BUDGET	FISCAL 2007 BUDGET
SUMMARY BY FUND				
General	1,016,598,344	1,051,418,709	1,102,796,000	1,189,923,000
Motor Vehicle	152,771,214	153,705,762	169,124,000	180,027,000
Parking Management	9,534,359	10,135,891	11,304,000	12,368,000
Com/ ty o5 adj	4,578,883	4,566,454	4,700,000	4,643,000
Waste Water Utility	122,107,183	122,487,559	145,575,000	158,507,000
Water Utility	92,421,416	96,198,947	104,881,000	115,165,000
Parking Enterprise	24,199,998	23,751,376	27,321,000	25,272,000
Loan and Guarantee Enterprise	3,508,125	3,172,030	3,761,000	3,762,000
Conduit Enterprise	2,673,999	3,113,779	7,199,000	7,073,000
Federal	225,150,344	215,867,784	218,753,919	213,043,168
State	105,506,608	57,396,076	62,446,424	63,468,026
Special	35,779,112	39,796,088	43,739,294	42,418,750
TOTAL OPERATING APPROPRIATIONS	1,794,829,585	1,781,610,455	1,901,600,637	2,015,669,944
INTERNAL SERVICE FUND BY AGENCY				
Comptroller	12,349,883	13,508,123	13,006,719	12,554,570
Finance	8,861,759	9,841,343	8,835,723	10,032,723
Human Resources	5,203,839	5,401,505	3,145,722	2,887,044
Law	3,562,817	4,297,277	4,579,761	4,675,452
M-R: Conditional Purchase Agreements	0	(108,463)	8,370	7,721
Public <i>Works</i>	37,946,985	38,646,306	40,812,366	47,554,121
Transportation	430,564	475,564	0	0
TOTAL INTERNAL SERVICE FUND	68,355,847	72,061,655	70,388,661	77,711,631

(TIES PAGE INTENTIONALLY LEFT BLANK)

F I S C A L 2 0 0 7

OPERATING BUDGET FUND DISTRIBUTION

<u>AGENCY AND PROGRAM</u>	<u>GENERAL</u>	<u>MOTOR VEHICLE</u>	<u>ENTERPRISE AND UTILITY</u>	<u>FEDERAL</u>
Board of Elections	6,489,267	0	0	0
180 Voter Registration and Conduct of Elections	6,489,267	0	0	0
City Council	4,349,801	0	0	0
100 City Legislation	4,349,801	0	0	0
Community Relations Commission	930,520	0	0	62,210
156 Development of Intergroup Relations	930,520	0	0	62,210
Comptroller	4,539,183	0	0	0
130 Executive Direction and Control	543,790	0	0	0
131 Audits	3,356,143	0	0	0
132 Real Estate Acquisition and Management	639,250	0	0	0
133 Municipal Telephone Exchange	0	0	0	0
136 Municipal Post Office	0	0	0	0
Council Services	549,607	0	0	0
103 Council Services	549,607	0	0	0
Courts: Circuit Court	8,626,587	0	0	1,338,824
110 Circuit Court	8,626,587	0	0	1,338,824
Courts: Orphans' Court	449,154	0	0	0
112 Orphans' Court	449,154	0	0	0
Employees' Retirement Systems	0	0	0	0
152 Employees' Retirement System	0	0	0	0
154 Fire and Police Retirement System	0	0	0	0
Enoch Pratt Free Library	21,959,663	0	0	0
450 Administrative and Technical Services	5,205,836	0	0	0
452 Neighborhood Services	9,458,643	0	0	0
453 State Library Resource Center	7,295,184	0	0	0
Finance	10,376,342	0	3,163,309	0
140 Administrative Direction and Control	1,000,191	0	0	0
141 Budget and Management Research	1,059,828	0	0	0
142 Accounting and Payroll Services	2,639,067	0	3,163,309	0
144 Purchasing	2,421,210	0	0	0
150 Treasury Management	3,256,046	0	0	0
153 Risk Management Operations	0	0	0	0
Fire	121,924,808	0	0	10,675,948
210 Administrative Direction and Control	9,375,689	0	0	0
211 Training	2,083,002	0	0	0
212 Fire Suppression	91,130,731	0	0	7,825,908
213 Fire Marshal	3,656,159	0	0	500,000
214 Support Services	6,538,391	0	0	200,000
215 Fire Alarm and Communications	4,027,840	0	0	0
219 Non-actuarial Retirement Benefits	135,000	0	0	0
319 Ambulance Service	4,977,996	0	0	2,150,040
Health	24,481,954	0	0	111,756,506
240 Animal Control	2,420,303	0	0	0
300 Administrative Direction and Control	3,672,494	0	0	0
301 Baltimore Homeless Services	357,962	0	0	22,638,253
302 Environmental Health	4,021,961	0	0	1,228,865
303 Special Purpose Grants	0	0	0	0
304 Health Promotion and Disease Prevention	4,207,199	0	0	30,225,222
305 Health Services Initiatives	52,286	0	0	4,120,662
306 General Nursing Services	995,412	0	0	232,219
307 Mental Health Services	2,049,359	0	0	438,301
308 Maternal and Child Health	1,207,078	0	0	15,494,156
309 Child and Adult Care - Food	0	0	0	6,624,963

F I S C A L 2 0 0 7

OPERATING BUDGET FUND DISTRIBUTION

<u>STATE</u>	<u>OTHER SPECIAL PURPOSE</u>	<u>INTERNAL SERVICE</u>	<u>FISCAL 2007 TOTAL</u>	<u>AGENCY AND PROGRAM</u>
0	0	0	6,489,267	Board of Elections
0	0	0	6,489,267	180 Voter Registration and Conduct of Elections
0	0	0	4,349,801	City Council
0	0	0	4,349,801	100 City Legislation
0	0	0	992,730	Community Relations Commission
0	0	0	992,730	156 Development of Intergroup Relations
0	125,787	12,554,570	17,219,540	Comptroller
0	0	0	543,790	130 Executive Direction and Control
0	0	0	3,356,143	131 Audits
0	125,787	0	765,037	132 Real Estate Acquisition and Management
0	0	11,924,049	11,924,049	133 Municipal Telephone Exchange
0	0	630,521	630,521	136 Municipal Post Office
0	0	0	549,607	Council Services
0	0	0	549,607	103 Council Services
4,180,552	0	0	14,145,963	Courts: Circuit Court
4,180,552	0	0	14,145,963	110 Circuit Court
0	0	0	449,154	Courts: Orphans' Court
0	0	0	449,154	112 Orphans' Court
0	7,472,606	0	7,472,606	Employees' Retirement Systems
0	4,474,114	0	4,474,114	152 Employees' Retirement System
0	2,998,492	0	2,998,492	154 Fire and Police Retirement System
10,501,598	530,604	0	32,991,865	Enoch Pratt Free Library
1,673,760	530,604	0	7,410,200	450 Administrative and Technical Services
86,649	0	0	9,545,292	452 Neighborhood Services
8,741,189	0	0	16,036,373	453 State Library Resource Center
0	0	10,032,723	23,572,374	Finance
0	0	0	1,000,191	140 Administrative Direction and Control
0	0	0	1,059,828	141 Budget and Management Research
0	0	0	5,802,376	142 Accounting and Payroll Services
0	0	2,954,132	5,375,342	144 Purchasing
0	0	0	3,256,046	150 Treasury Management
0	0	7,078,591	7,078,591	153 Risk Management Operations
1,101,733	11,010,000	0	144,712,489	Fire
0	0	0	9,375,689	210 Administrative Direction and Control
0	0	0	2,083,002	211 Training
50,000	0	0	99,006,639	212 Fire Suppression
0	10,000	0	4,166,159	213 Fire Marshal
964,733	0	0	7,703,124	214 Support Services
10,000	0	0	4,037,840	215 Fire Alarm and Communications
0	0	0	135,000	219 Non-actuarial Retirement Benefits
77,000	11,000,000	0	18,205,036	319 Ambulance Service
17,876,654	9,386,689	0	163,501,803	Health
0	0	0	2,420,303	240 Animal Control
0	0	0	3,672,494	300 Administrative Direction and Control
3,223,168	13,383	0	26,232,766	301 Baltimore Homeless Services
299,108	70,000	0	5,619,934	302 Environmental Health
0	2,000,000	0	2,000,000	303 Special Purpose Grants
626,817	0	0	35,059,238	304 Health Promotion and Disease Prevention
778,334	224,578	0	5,175,860	305 Health Services Initiatives
9,336,990	87	0	10,564,708	306 General Nursing Services
1,793,378	0	0	4,281,038	307 Mental Health Services
172,739	820,724	0	17,694,697	308 Maternal and Child Health
0	0	0	6,624,963	309 Child and Adult Care - Food

F I S C A L 2 0 0 7

OPERATING BUDGET FUND DISTRIBUTION

<u>AGENCY AND PROGRAM</u>	<u>GENERAL</u>	<u>MOTOR VEHICLE</u>	<u>ENTERPRISE AND UTILITY</u>	<u>FEDERAL</u>
Health (cont.)				
310 School Health Services	5,011,169	0	0	1,073,131
311 Health Services for the Aging	486,731	0	0	29,680,734
Housing and Community Development	20,614,805	0	0	44,706,502
119 Neighborhood Service Centers	255,416	0	0	1,496,596
177 Administrative Direction and Control	4,284,314	0	0	993,512
184 Energy Assistance and Emergency Food	0	0	0	0
260 Construction and Building Inspection	3,174,968	0	0	572,482
582 Finance and Development	229,699	0	0	4,493,116
583 Neighborhood Services	9,287,308	0	0	1,468,018
585 Baltimore Development Corporation	2,975,000	0	0	400,000
592 Special Housing Grants	350,000	0	0	0
593 Community Support Projects	10,850	0	0	5,487,000
597 Weatherization	47,250	0	0	0
604 Child Care Centers	0	0	0	868,532
605 Head Start	0	0	0	28,927,246
606 Arts and Education	0	0	0	0
Human Resources	2,527,173	0	0	0
160 Personnel Administration	2,527,173	0	0	0
161 Vision Care Program	0	0	0	0
Law	3,167,866	0	0	0
175 Legal Services	3,167,866	0	0	0
Legislative Reference	774,610	0	0	0
106 Legislative Reference Services	518,172	0	0	0
107 Archives and Records Management	256,438	0	0	0
Liquor License Board	1,878,889	0	0	0
250 Liquor Control	1,878,889	0	0	0
Mayoralty	3,737,864	0	0	0
125 Executive Direction and Control	2,858,955	0	0	0
127 Office of State Relations	582,074	0	0	0
353 Office of Community Projects	296,835	0	0	0
M-R: Art and Culture	6,932,457	0	0	0
493 Art and Culture Grants	6,932,457	0	0	0
M-R: Baltimore City Public Schools	204,286,795	3,654,000	0	0
352 Baltimore City Public Schools	204,286,795	3,654,000	0	0
M-R: Cable and Communications	413,292	0	0	0
572 Cable and Communications Coordination	413,292	0	0	0
M-R: Civic Promotion	11,334,864	300,000	0	0
589 Office of Promotion and the Arts	1,904,000	0	0	0
590 Civic Promotion	9,430,864	300,000	0	0
M-R: Commission on Aging and Retirement Education	1,111,825	325,000	0	4,771,405
325 Senior Services	1,111,825	325,000	0	4,771,405
M-R: Conditional Purchase Agreements	19,451,911	0	598,691	0
129 Conditional Purchase Agreement Payments	19,451,911	0	598,691	0
M-R: Contingent Fund	750,000	0	0	0
121 Contingent Fund	750,000	0	0	0
M-R: Convention Complex	13,296,502	0	0	0
531 Convention Center Operations	12,846,502	0	0	- 0
540 1st Mariner Arena Operations	450,000	0	0	0
M-R: Debt Service	71,578,778	8,043,612	0	0
123 General Debt Service	71,578,778	8,043,612	0	0
M-R: Educational Grants	1,376,556	0	0	0
446 Educational Grants	1,376,556	0	0	0

F I S C A L 2 0 0 7

OPERATING BUDGET FUND DISTRIBUTION

STATE	OTHER SPECIAL PURPOSE	INTERNAL SERVICE	FISCAL 2007 TOTAL	AGENCY AND PROGRAM
				Health (cont.)
480,144	6,157,917	0	12,722,361	310 School Health Services
1,165,976	100,000	0	31,433,441	311 Health Services for the Aging
10,446,362	2,963,105	0	78,730,774	Housing and Community Development
2,873,317	0	0	4,625,329	119 Neighborhood Service Centers
0	304,427	0	5,582,253	177 Administrative Direction and Control
2,682,334	0	0	2,682,334	184 Energy Assistance and Emergency Food
0	1,150,000	0	4,897,450	260 Construction and Building Inspection
0	130,000	0	4,852,815	582 Finance and Development
149,098	968,678	0	11,873,102	583 Neighborhood Services
0	410,000	0	3,785,000	585 Baltimore Development Corporation
0	0	0	350,000	592 Special Housing Grants
0	0	0	5,497,850	593 Community Support Projects
1,288,580	0	0	1,335,830	597 Weatherization
0	0	0	868,532	604 Child Care Centers
1,857,833	0	0	30,785,079	605 Head Start
1,595,200	0	0	1,595,200	606 Arts and Education
0	0	2,887,044	5,414,217	Human Resources
0	0	2,143,989	4,671,162	160 Personnel Administration
0	0	743,055	743,055	161 Vision Care Program
0	356	4,675,452	7,843,674	Law
0	356	4,675,452	7,843,674	175 Legal Services
0	11,400	0	786,010	Legislative Reference
0	11,400	0	529,572	106 Legislative Reference Services
0	0		256,438	107 Archives and Records Management
0	0	0	1,878,889	Liquor License Board
0	0	0	1,878,889	250 Liquor Control
0	140,000	0	3,877,864	Mayoralty
0	0	0	2,858,955	125 Executive Direction and Control
0	0	0	582,074	127 Office of State Relations
0	140,000	0	436,835	353 Office of Community Projects
0	0	0	6,932,457	M-R: Art and Culture
0	0	0	6,932,457	493 Art and Culture Grants
0	0	0	207,940,795	M-R: Baltimore City Public Schools
0	0	0	207,940,795	352 Baltimore City Public Schools
0	1,890,270	0	2,303,562	M-R: Cable and Communications
0	1,890,270	0	2,303,562	572 Cable and Communications Coordination
0	0	0	11,634,864	M-R: Civic Promotion
0	0	0	1,904,000	589 Office of Promotion and the Arts
0	0	0	9,730,864	590 Civic Promotion
3,871,909	448,338	0	10,528,477	M-R: Commission on Aging and Retirement Education
3,871,909	448,338	0	10,528,477	325 Senior Services
0	23	7,721	20,058,559	M-R: Conditional Purchase Agreements
0	236	7,721	20,058,559	129 Conditional Purchase Agreement Payments
0	0	0	750,000	M-R: Contingent Fund
0	0	0	750,000	121 Contingent Fund
3,000,000	4,643,000	0	20,939,502	M-R: Convention Complex
3,000,000	4,643,000	0	20,489,502	531 Convention Center Operations
0	0	0	450,000	540 1st Manner Arena Operations
0	0	0	79,622,390	M-R: Debt Service
0	0	0	79,622,390	123 General Debt Service
0	0	0	1,376,556	M-R: Educational Grants
0	0	0	1,376,556	446 Educational Grants

F I S C A L 2 0 0 7

OPERATING BUDGET FUND DISTRIBUTION

AGENCY AND PROGRAM	GENERAL	MOTOR VEHICLE	ENTERPRISE AND UTILITY	FEDERAL
M-R: Employees' Retirement Contribution	77,635,867	7,833,000	0	0
355 Employees' Retirement Contribution	77,635,867	7,833,000	0	0
M-R: Environmental Control Board	449,599	0	0	0
117 Environmental Control Board	449,599	0	0	0
M-R: Health and Welfare Grants	94,683	0	0	0
385 Health and Welfare Grants	⁹⁴ 94,683	0	0	0
M-R: Miscellaneous General Expenses	10,751,231	1,236,850	0	0
122 Miscellaneous General Expenses	10,751,231	1,236,850	0	0
M-R: Office of Children, Youth and Families	673,572	0	0	299,224
350 Children, Youth and Families	673,572	0	0	299,224
M-R: Office of CitiStat Operations	509,792	0	0	0
347 CitiStat Operations	509,792	0	0	0
M-R: Office of Employment Development	6,328,119	0	0	16,044,464
630 Administration (Title I)	203,736	0	0	58,618
631 Job Training Partnership (Titles 11/111)	1,022,732	0	0	10,482,410
633 Youth Initiatives	2,981,494	0	0	2,000,000
639 Special Services	2,120,157	0	0	3,503,436
M-R: Office of Information Technology	11,277,655	0	0	0
147 Information Technology Services	2,820,280	0	0	0
151 Information Technology Support Services	8,457,375	0	0	0
M-R: Office of Neighborhoods -	740,730	0	0	0
354 Neighborhoods	⁷⁴⁰ 740,730	0	0	0
M-R: Office of the Inspector General	632,131	0	0	0
108 Office of the Inspector General	632,131	0	0	0
M-R: Office of the Labor Commissioner	487,502	0	0	0
128 Labor Relations	⁴⁸⁷ 487,502	0	0	0
M-R: Retirees' Benefits	78,925,000	12,558,875	0	0
351 Retirees' Benefits	78,925,000	12,558,875	0	0
M-R: Self-Insurance Fund	9,225,082	2,894,554	0	0
126 Contribution to Self-Insurance Fund	^{9,225} 9,225,082	2,894,554	0	0
M-R: TIF Debt Service	2,899,236	0	0	0
124 TIF Debt Service	2,899,236	0	0	0
Municipal and Zoning Appeals	388,651	0	0	0
185 Zoning, Tax and Other Appeals	388,651	0	0	0
Planning	1,475,244	704,035	0	1,157,132
187 City Planning	1,475,244	704,035	0	1,157,132
Police	286,103,614	11,902,248	0	20,264,596
200 Administrative Direction and Control	31,944,711	0	0	0
201 Field Operations <i>Bureau</i>	184,776,221	0	0	10,287,904
202 Investigations	33,718,047	0	0	79,660
203 Traffic	0	11,902,248	0	0
204 Services Bureau	26,859,182	0	0	0
205 Non-actuarial Retirement Benefits	^{2,417} 2,417,620	0	0	0
207 Research and Development	^{4,784} 4,784,740	0	0	0
224 Office of Criminal Justice	1,603,093	0	0	9,897,032
Public Works	68,709,102	36,820,019	273,672,000	0
189 Fleet Management	0	0	0	0
190 Departmental Administration	1,181,879	2,769,844	0	0
191 Permits	656,306	1,847,571	0	0
193 Facilities Management	22,489,934	0	0	0
198 Engineering/Construction Management	356,337	¹⁷⁸ 178,926	0	0
513 Solid Waste Special Services	4,781,735	25,474,317	0	0
515 Solid Waste Collection	17,748,415	1,760,661	0	0

F I S C A L 2 0 0 7

OPERATING BUDGET FUND DISTRIBUTION

STATE	OTHER SPECIAL PURPOSE	INTERNAL SERVICE	FISCAL 2007 TOTAL	AGENCY AND PROGRAM
0	0	0	85,468,867	M-R: Employees' Retirement Contribution
0	0	0	85,468,867	355 Employees' Retirement Contribution
0	0	0	449,599	M-R: Environmental Control Board
0	0	0	449,599	117 Environmental Control Board
0	0	0	94,683	M-R: Health and Welfare Grants
0	0	0	94,683	385 Health and Welfare Grants
0	0	0	11,988,081	M-R: Miscellaneous General Expenses
0	0	0	11,988,081	122 Miscellaneous General Expenses
303,187	0	0	1,275,983	M-R: Office of Children, Youth and Families
303,187	0	0	1,275,983	350 Children, Youth and Families
0	0	0	509,792	M-R: Office of CitiStat Operations
0	0	0	509,792	347 CitiStat Operations
530,896	0	0	22,903,479	M-R: Office of Employment Development
0	0	0	262,354	630 Administration (Title I)
0	0	0	11,505,142	631 Job Training Partnership (Titles II/111)
0	0	0	4,981,494	633 Youth Initiatives
530,896	0	0	6,154,489	639 Special Services
0	0	0	11,277,655	M-R: Office of Information Technology
0	0	0	2,820,280	147 Information Technology Services
0	0	0	8,457,375	151 Information Technology Support
0	0	0	740,730	M-R: Office of Neighborhoods
0	0	0	740,730	354 Neighborhoods
0	0	0	632,131	M-R: Office of the Inspector General
0	0	0	632,131	108 Office of the Inspector General
0	0	0	487,502	M-R: Office of the Labor Commissioner
0	0	0	487,502	128 Labor Relations
0	0	0	91,483,875	M-R: Retirees' Benefits
0	0	0	91,483,875	351 Retirees' Benefits
0	0	0	12,119,636	M-R: Self-Insurance Fund
0	0	0	12,119,636	126 Contribution to Self-Insurance Fund
0	0	0	2,899,236	M-R: TIF Debt Service
0	0	0	2,899,236	124 TIF Debt Service
0	0	0	388,651	Municipal and Zoning Appeals
0	0	0	388,651	185 Zoning, Tax and Other Appeals
140,000	0	0	3,476,411	Planning
140,000	0	0	3,476,411	187 City Planning
7,272,216	6,328,018	0	331,870,692	Police
0	0	0	31,944,711	200 Administrative Direction and Control
7,254,216	0	0	202,318,341	201 Field Operations Bureau
0	1,235,000	0	35,032,707	202 Investigations
18,000	0	0	11,920,248	203 Traffic
0	4,818,018	0	31,677,200	204 Services Bureau
0	0	0	2,417,620	205 Non-actuarial Retirement Benefits
0	0	0	4,784,740	207 Research and Development
0	275,000	0	11,775,125	224 Office of Criminal Justice
0	1,150,000	47,554,121	427,905,242	Public Works
0	0	47,554,121	47,554,121	189 Fleet Management
0	0	0	3,951,723	190 Departmental Administration
0	0	0	2,503,877	191 Permits
0	0	0	22,489,934	193 Facilities Management
0	0	0	535,263	198 Engineering/Construction Management
0	0	0	30,256,052	513 Solid Waste Special Services
0	1,150,000	0	20,659,076	515 Solid Waste Collection ■

OPERATING BUDGET FUND DISTRIBUTION

<u>AGENCY AND PROGRAM</u>	<u>GENERAL</u>	<u>MOTOR VEHICLE</u>	<u>ENTERPRISE AND UTILITY</u>	<u>FEDERAL</u>
Public Works (cont.)				
516 Solid Waste Environmental Services	21,494,496	0	0	0
518 Storm Water Maintenance	0	4,788,700	0	0
544 Sanitary Maintenance	0	0	16,243,606	0
546 Water Maintenance	0	0	24,766,528	0
547 Meter Operations	0	0	3,548,121	0
550 Waste Water Facilities	0	0	88,779,339	0
552 Water Facilities	0	0	37,984,785	0
553 Water Engineering	0	0	16,982,892	0
554 Waste Water Engineering	0	0	22,128,302	0
555 Environmental Services	0	0	3,912,973	0
560 Facilities Engineering	0	0	533,902	0
561 Utility Billing	0	0	9,369,536	0
565 Utility Debt Service	0	0	49,422,016	0
Recreation and Parks	25,638,251	4,337,049	0	0
471 Administrative Direction and Control	3,577,938	0	0	0
473 Municipal Concerts and Other Musical Events	36,308	0	0	0
478 General Park Services	9,917,464	400,000	0	0
479 Special Facilities	1,104,979	0	0	0
480 Regular Recreational Services	11,001,562	0	0	0
482 Supplementary Recreational Services	0	0	0	0
505 Park and Street Trees	0	3,937,049	0	0
Sheriff	11,935,022	0	0	24,500
118 Sheriff Services	11,935,022	0	0	24,500
Social Services	230,000	0	0	0
365 Public Assistance	230,000	0	0	0
State's Attorney	24,918,056	0	0	1,566,857
115 Prosecution of Criminals	24,918,056	0	0	1,566,857
Transportation	1,164,236	89,417,758	32,345,000	375,000
195 Towing	407,337	9,117,789	0	0
230 Administration	186,733	7,154,711	0	375,000
231 Traffic Engineering	0	6,629,934	0	0
232 Parking	0	0	0	0
233 Signs and Markings	0	10,884,022	0	0
235 Parking Enforcement	0	0	0	0
239 Traffic Safety	0	2,750,433	0	0
500 Street Lighting	0	18,913,645	0	0
501 Highway Maintenance	0	30,861,047	0	0
503 Engineering and Construction	570,166	3,106,177	0	0
548 Conduits	0	0	7,073,000	0
580 Parking Enterprise Facilities	0	0	25,272,000	0
Wage Commission	465,765	0	0	0
165 Wage Enforcement	465,765	0	0	0
War Memorial Commission	353,787	0	0	0
487 Operation of War Memorial Building	353,787	0	0	0
TOTAL FISCAL 2007 OPERATING BUDGET	1,189,923,000	180,027,000	309,779,000	213,043,168
LESS INTERNAL SERVICE FUND	0	0	0	0
TOTAL FISCAL 2007 OPERATING APPROPRIATIONS	1,189,923,000	180,027,000	309,779,000	213,043,168

FISCAL 2007

OPERATING BUDGET FUND DISTRIBUTION

STATE	OTHER SPECIAL PURPOSE	INTERNAL SERVICE	FISCAL 2007 TOTAL	AGENCY AND PROGRAM
				Public Works (cont.)
0	0	0	21,494,496	516 Solid Waste Environmental Services
0	0	0	4,788,700	518 Storm Water Maintenance
0	0	0	16,243,606	544 Sanitary Maintenance
0	0	0	24,766,528	546 Water Maintenance
0	0	0	3,548,121	547 Meter Operations
0	0	0	88,779,339	550 Waste Water Facilities
0	0	0	37,984,785	552 Water Facilities
0	0	0	16,982,892	553 Water Engineering
0	0	0	22,128,302	554 Waste Water Engineering
0	0	0	3,912,973	555 Environmental Services
0	0	0	533,902	560 Facilities Engineering
0	0	0	9,369,536	561 Utility Billing
0	0	0	49,422,016	565 Utility Debt Service
302,979	911,341	0	31,189,620	Recreation and Parks
129,982	9,000	0	3,716,920	471 Administrative Direction and Control
0	0	0	36,308	473 Municipal Concerts and Other Musical Events
43,997	0	0	10,361,461	478 General Park Services
0	146,400	0	1,251,379	479 Special Facilities
129,000	433,447	0	11,564,009	480 Regular Recreational Services
0	322,494	0	322,494	482 Supplementary Recreational Services
0	0	0	3,937,049	505 Park and Street Trees
0	0	0	11,959,522	Sheriff
0	0	0	11,959,522	118 Sheriff Services
0	0	0	230,000	Social Services
0	0	0	230,000	365 Public Assistance
3,829,716	50,000	0	30,364,629	State's Attorney
3,829,716	50,000	0	30,364,629	115 Prosecution of Criminals
110,224	12,368,000	0	135,780,218	Transportation
25,000	0	0	9,550,126	195 Towing
79,224	0	0	7,795,668	230 Administration
0	0	0	6,629,934	231 Traffic Engineering
0	5,230,793	0	5,230,793	232 Parking
6,000	0	0	10,890,022	233 Signs and Markings
0	7,137,207	0	7,137,207	235 Parking Enforcement
0	0	0	2,750,433	239 Traffic Safety
0	0	0	18,913,645	500 Street Lighting
0	0	0	30,861,047	501 Highway Maintenance
0	0	0	3,676,343	503 Engineering and Construction
0	0	0	7,073,000	548 Conduits
0	0	0	25,272,000	580 Parking Enterprise Facilities
0	0	0	465,765	Wage Commission
0	0	0	465,765	165 Wage Enforcement
0	0	0	353,787	War Memorial Commission
0	0	0	353,787	487 Operation of War Memorial Building
63,468,026	59,429,750	77,711,631	2,093,381,575	TOTAL FISCAL 2007 OPERATING BUDGET
0	0	77,711,631	77,711,631	LESS INTERNAL SERVICE FUND
63,468,026	59,429,750	0	2,015,669,944	TOTAL FISCAL 2007 OPERATING APPROPRIATIONS

F I S C A L 2 0 0 7

OPERATING CHANGES TO PERMANENT FULL-TIME POSITIONS

AGENCY, PROGRAM AND FUND	FISCAL 2006 BUDGET	B OF E CHANGES	ABOLISHMENTS	OTHER CHANGES	FISCAL 2007 BUDGET
Board of Elections	3	0	0	0	3
180 Voter Registration and Conduct of Elections	3	0	0	0	3
General	3	0	0	0	3
City Council	58	6	0	0	64
100 City Legislation •	58	6	0	0	64
General	58	6	0	0	64
Community Relations Commission	14	0	0	0	14
156 Development of Intergroup Relations	14	0	0	0	14
General	13	0	0	0	13
Federal	1	0	0	0	1
Comptroller	102	0	0	0	102
130 Executive Direction and Control	10	0	0	0	10
General	10	0	0	0	10
131 Audits	46	0	0	0	46
General	46	0	0	0	46
132 Real Estate Acquisition and Management	12	0	0	0	12
General	10	0	0	0	10
Special	2	0	0	0	2
133 Municipal Telephone Exchange	21	0	0	0	21
Internal Service	21	0	0	0	21
136 Municipal Post Office	13	0	0	0	13
Internal Service	13	0	0	0	13
Council Services	7	0	0	0	7
103 Council Services	7	0	0	0	7
General	7	0	0	0	7
Courts: Circuit Court	125	2	0	0	127
110 Circuit Court	125	2	0	0	127
General	84	2	0	0	86
Federal	19	0	0	0	19
State	22	0	0	0	22
Courts: Orphans' Court	5	0	0	0	5
112 Orphans' Court	5	0	0	0	5
General	5	0	0	0	5
Employees' Retirement Systems	85	4	(1)	0	88
152 Employees' Retirement System	43	4	(1)	0	46
Special	43	4	(1)	0	46
154 Fire and Police Retirement System	42	0	0	0	42
Special	42	0	0	0	42
Enoch Pratt Free Library	417	2	(1)	0	418
450 Administrative and Technical Services	104	2	(1)	1	106
General	84	0	0	0	84
State	11	1	0	1	13
Special	9	1	(1)	0	9
452 Neighborhood Services	123	0	0	0	123
General	123	0	0	0	123
453 State Library Resource Center	190	0	0	(1)	189
General	139	0	0	0	139
State	51	0	0	(1)	50
Finance	318	0	0	0	318
140 Administrative Direction and Control	9	0	0	0	9
General	9	0 -	0	0	9

F I S C A L 2 0 0 7

OPERATING CHANGES TO PERMANENT FULL-TIME POSITIONS

AGENCY, PROGRAM AND FUND		FISCAL 2006 BUDGET	B OF E CHANGES	ABOLISHMENTS	OTHER CHANGES	FISCAL 2007 BUDGET
Finance (cont.)		318	0	0	0	318
141	Budget and Management Research	15	1	0	0	16
	General	15	1	0	0	16
142	Accounting and Payroll Services	74	(2)	0	0	72
	General	72	(2)	0	0	70
	Loan and Guarantee Enterprise	2	0	0	0	2
144	Purchasing	79	0	0	0	79
	General	49	0	0	0	49
	Internal Service	30	0	0	0	30
150	Treasury Management	126	1	0	0	127
	General	126	1	0	0	127
153	Risk Management Operations	15	0	0	0	15
	Internal Service	15	0	0	0	15
Fire		1,743	0	0	0	1,743
210	Administrative Direction and Control	32	2	0	0	34
	General	32	2	0	0	34
211	Training	25	(1)	0	0	24
	General	25	(1)	0	0	24
212	Fire Suppression	1,397	(1)	0	0	1,396
	General	1,397	(1)	0	0	1,396
213	Fire Marshal	44	0	0	0	44
	General	44	0	0	0	44
214	Support Services	4	0	0	0	4
	General	4	0	0	0	4
215	Fire Alarm and Communications	44	0	0	0	44
	General	44	0	0	0	44
319	Ambulance Service	197	0	0	0	197
	General	173	0	0	0	173
	Special	24	0	0	0	24
Health		680	3	(12)	0	671
240	Animal Control	30	0	(1)	0	29
	General	30	0	(1)	0	29
300	Administrative Direction and Control	41	1	(2)	(1)	39
	General	39	1	(2)	0	38
	Special	2	0	0	(1)	1
301	Baltimore Homeless Services	25	0	0	0	25
	General	2	0	0	0	2
	Federal	9	0	0	0	9
	Special	14	0	0	0	14
302	Environmental Health	80	0	0	1	81
	General	63	0	0	0	63
	Federal	12	0	0	1	13
	State	5	0	0	0	5
304	Health Promotion and Disease Prevention	75	2	(1)	0	76
	General	24	0	(1)	2	25
	Federal	49	1	0	(2)	48
	State	2	1	0	0	3
305	Health Services Initiatives	12	0	(1)	(1)	10
	Federal	3	0	0	0	3
	State	9	0	(1)	(1)	7

F I S C A L 2 0 0 7

OPERATING CHANGES TO PERMANENT FULL-TIME POSITIONS

AGENCY, PROGRAM AND FUND	FISCAL 2006 BUDGET	B OF E CHANGES	ABOLISHMENTS	OTHER CHANGES	FISCAL 2007 BUDGET
Health (cont.)					
306 General Nursing Services	36	0	0	0	36
General	13	0	0	1	14
Federal	3	0	0	(1)	2
State	20	0	0	0	20
307 Mental Health Services	3	0	0	0	3
Federal	3	0	0	0	8
308 Maternal and Child Health	113	0	(3)	1	111
General	11	0	0	2	13
Federal	94	0	(1)	3	96
State	8	0	(2)	(4)	2
309 Child and Adult Care - Food	13	0	0	0	13
Federal	13	0	0	0	13
310 School Health Services	175	0	0	1	176
Federal	16	0	0	0	16
Special	159	0	0	1	160
311 Health Services for the Aging	77	0	(4)	(1)	72
General	1	0	0	7	8
Federal	66	0	(4)	(3)	59
State	5	0	0	0	5
Special	5	0	0	(5)	0
Housing and Community Development	518	24	(1)	0	541
119 Neighborhood Service Centers	74	0	0	0	74
General	0	0	0	4	4
Federal	25	0	0	(3)	22
State	49	0	0	(1)	48
177 Administrative Direction and Control	32	0	0	(1)	31
General	23	0	0	(1)	22
Federal	5	0	0	0	5
Special	4	0	0	0	4
184 Energy Assistance and Emergency Food	12	0	0	(1)	11
State	12	0	0	(1)	11
260 Construction and Building Inspection	77	0	0	(5)	72
General	69	0	0	(5)	64
Federal	8	0	0	0	8
582 Finance and Development	56	0	0	0	56
General	19	0	0	1	20
Federal	37	0	0	(1)	36
583 Neighborhood Services	217	24	(1)	7	247
General	23	5	0	199	227
Federal	189	9	(1)	(197)	0
State	5	0	0	(4)	1
Special	0	10	0	9	19
597 Weatherization	2	0	0	0	2
General	1	0	0	0	1
State	1	0	0	0	1
604 Child Care Centers	37	0	0	0	37
Federal	37	0	0	0	37
605 Head Start	11	0	0	0	11
Federal	11	0	0	0	11

F I S C A L 2 0 0 7

OPERATING CHANGES TO PERMANENT FULL-TIME POSITIONS

AGENCY, PROGRAM AND FUND		FISCAL 2006 BUDGET	B OF E CHANGES	ABOLISHMENTS	OTHER CHANGES	FISCAL 2007 BUDGET
Human Resources		53	3	0	0	56
160 Personnel Administration		48	3	0	0	51
General		46	3	0	0	49
Internal Service		2	0	0	0	2
161 Vision Care Program		5	0	0	0	5
Internal Service		5	0	0	0	5
Law		101	2	0	0	103
175 Legal Services		101	2	0	0	103
General		60	2	0	0	62
Special		13	0	0	0	13
internal Service		28	0	0	0	28
Legislative Reference		8	0	0	0	8
106 Legislative Reference Services		6	0	0	0	6
General		6	0	0	0	.6
107 Archives and Records Management		2	0	0	0	2
General		2	0	0	0	2
Liquor License Board		33	0	0	0	33
250 Liquor Control		33	0	0	0	33
General		33	0	0	0	33
Mayoralty		50	1	0	0	51
125 Executive Direction and Control		37	1	0	0	38
General		37	1	0	0	38
127 Office of State Relations		7	0	0	(1)	6
General		7	0	0	(1)	6
353 Office of Community Projects		6	0	0	1	7
General		6	0	0	1	7
M-R: Cable and Communications		9	3	0	0	12
572 Cable and Communications Coordination		9	3	0	0	12
General		2	0	0	0	2
Special		7	3	0	0	10
M-R: Commission on Aging/Retire. Educ.		71	8	0	0	79
325 Senior Services		71	8	0	0	79
General		5	0	0	0	5
Federal		38	1	0	0	39
State		28	7	0	0	35
M-R: Convention Complex		177	0	0	0	177
531 Convention Center Operations		177	0	0	0	177
General		177	0	0	0	177
M-R: Environmental Control Board		5	1	0	0	6
117 Environmental Control Board		5	1	0	0	6
General		5	1	0	0	6
M-R: Office of Children, Youth and Families		8	1	0	0	9
350 Children, Youth and Families		8	1	0	0	9
General		7	0	0	0	7
Federal		1	1	0	0	2
M-R: Office of CitiStat Operations		8	0	0	0	8
347 CitiStat Operations		8	0	0	0	8
General		8	0	0	0	8
M-R: Office of Employment Development		349	0	(54)	0	295
630 Administration (Title I)		40	0	(3)	2	39
General		2	0	0	0	2
Federal		38	0	(3)	2	37

F I S C A L 2 0 0 7

OPERATING CHANGES TO PERMANENT FULL-TIME POSITIONS

AGENCY, PROGRAM AND FUND		FISCAL 2006 BUDGET	B OF E CHANGES	ABOLISHMENTS	OTHER CHANGES	FISCAL 2007 BUDGET
M-R: Office of Employment Development (cont.)						
631	Job Training Partnership (Titles 11/111)	118	0	(15)	8	111
	Federal	118	0	(15)	8	111
633	Youth Initiatives	69	0	(29)	(6)	34
	General	0	0	0	24	24
	Federal	69	0	(29)	(30)	10
639	Special Services	122	0	(7)	(4)	111
	General	11	0	(1)	6	16
	Federal	102	0	(3)	(12)	87
	State	8	0	(3)	3	8
	Special	1	0	0	(1)	0
M-R: Office of Information Technology		168	3	0	0	171
147	Information Technology Services	70	0	0	0	70
	General	70	0	0	0	70
151	Information Technology Support Services	98	3	0	0	101
	General	98	3	0	0	101
8111: Office of Neighborhoods		12	0	0	0	12
354	Neighborhoods	12	0	0	0	12
	General	12	0	0	0	12
M-R: Office of the Inspector General		0	5	0	0	5
108	Office of the Inspector General	0	5	0	0	5
	General	0	5	0	0	5
M-R: Office of the Labor Commissioner		5	0	0	0	5
128	Labor Relations	5	0	0	0	5
	General	5	0	0	0	5
Municipal and Zoning Appeals		10	0	0	0	10
185	Zoning, Tax and Other Appeals	10	0	0	0	10
	General	10	0	0	0	10
Planning		51	4	(3)	0	52
187	City Planning	51	4	(3)	0	52
	General	29	4	(3)	(1)	29
	Motor Vehicle	9	0	0	0	9
	Federal	13	0	0	1	14
Police		3,935	2	0	0	3,937
200	Administrative Direction and Control	235	(2)	0	0	233
	General	235	(2)	0	0	233
201	Field Operations Bureau	2,600	3	0	2	2,605
	General	2,538	3	0	2	2,543
	Federal	3	0	0	0	3
	State	59	0	0	0	59
202	Investigations	479	4	0	0	483
	General	479	4	0	0	483
203	Traffic	86	0	0	0	86
	Motor Vehicle	86	0	0	0	86
204	Services Bureau	451	(2)	0	(2)	447
	General	400	(2)	0	(2)	396
	Special	51	0	0	0	51
207	Research and Development	72	(1)	0	0	71
	General	72	(1)	0	0	71

F I S C A L 2 0 0 7

OPERATING CHANGES TO PERMANENT FULL-TIME POSITIONS

AGENCY, PROGRAM AND FUND		FISCAL 2006 BUDGET	B O F E CHANGES	ABOLISHMENTS	OTHER CHANGES	FISCAL 2007 BUDGET
Police (cont.)						
224	Office of Criminal Justice	12	0	0	0	12
	General	4	0	0	0	4
	Federal	6	0	0	0	6
	State	2	0	0	0	2
Public Works		3,461	(2)	(31)	0	3,428
189	Fleet Management	263	0	0	0	263
	Internal Service	263	0	0	0	263
190	Departmental Administration	102	0	0	0	102
	General	76	0	0	0	76
	Motor Vehicle	26	0	0	0	26
191	Permits	42	0	0	0	42
	General	12	0	0	0	12
	Motor Vehicle	30	0	0	0	30
193	Facilities Management	83	0	0	0	83
	General	83	0	0	0	83
198	Engineering/Construction Management	39	3	0	0	42
	General	39	3	0	0	42
513	Solid Waste Special Services	496	(5)	0	0	491
	General	0	0	0	42	42
	Motor Vehicle	496	(5)	0	(42)	449
515	Solid Waste Collection	346	2	0	0	348
	General	316	0	0	0	316
	Motor Vehicle	30	2	0	0	32
516	Solid Waste Environmental Services	26	(2)	0	0	24
	General	26	(2)	0	0	24
518	Storm Water Maintenance	69	0	0	5	74
	Motor Vehicle	69	0	0	5	74
544	Sanitary Maintenance	249	0	0	5	254
	Waste Water Utility	249	0	0	5	254
546	Water Maintenance	375	1	(11)	(11)	354
	Water Utility	375	1	(11)	(11)	354
547	Meter Operations	59	0	0	2	61
	Water Utility	59	0	0	2	61
550	Waste Water Facilities	674	(1)	(11)	0	662
	Waste Water Utility	674	(1)	(11)	0	662
552	Water Facilities	313	0	0	0	313
	Water Utility	313	0	0	0	313
553	Water Engineering	30	0	0	0	30
	Water Utility	30	0	0	0	30
554	Waste Water Engineering	62	0	0	0	62
	Waste Water Utility	62	0	0	0	62
555	Environmental Services	54	0	0	0	54
	Waste Water Utility	50	0	0	0	50
	Water Utility	4	0	0	0	4
560	Facilities Engineering	71	0	0	0	71
	Waste Water Utility	34	0	0	(3)	31
	Water Utility	37	0	0	3	40
561	Utility Billing	108	0	(9)	(1)	98
	Water Utility	108	0	(9)	(1)	98

F I S C A L 2 0 0 7

OPERATING CHANGES TO PERMANENT FULL-TIME POSITIONS

AGENCY, PROGRAM AND FUND	FISCAL 2006 BUDGET	B OF E CHANGES	ABOLISHMENTS	OTHER CHANGES	FISCAL 2007 BUDGET
Recreation and Parks	364	0	0	0	364
471 Administrative Direction and Control	39	0	0	0	39
General	39	0	0	0	39
478 General Park Services	126	0	0	0	126
General	126	0	0	0	126
479 Special Facilities	13	0	0	0	13
General	13	0	0	0	13
480 Regular Recreational Services	141	0	0	0	141
General	136	0	0	0	136
Federal	5	0	0	0	5
482 Supplementary Recreational Services	5	0	0	0	5
Special	5	0	0	0	5
505 Park and Street Trees	40	0	0	0	40
Motor Vehicle	40	0	0	0	40
Sheriff	203	0	0	0	203
118 Sheriff Services	203	0	0	0	203
General	203	0	0	0	203
State's Attorney	402	16	(1)	0	417
115 Prosecution of Criminals	402	16	(1)	0	417
General	309	15	0	14	338
Federal	33	1	0	(13)	21
State	60	0	(1)	(1)	58
Transportation	1,565	9	0	0	1,574
195 Towing	61	0	0	0	61
General	6	0	0	0	6
Motor Vehicle	55	0	0	0	55
230 Administration	56	0	0	(1)	55
Motor Vehicle	55	0	0	(1)	54
State	1	0	0	0	1
231 Traffic Engineering	62	5	0	1	68
Motor Vehicle	62	5	0	1	68
232 Parking	23	0	0	0	23
Parking Management	23	0	0	0	23
233 Signs and Markings	141	0	0	0	141
Motor Vehicle	141	0	0	0	141
235 Parking Enforcement	78	0	0	0	78
Parking Management	78	0	0	0	78
238 School Crossing Guards	349	3	0	0	352
General	349	3	0	0	352
239 Traffic Safety	57	0	0	0	57
Motor Vehicle	57	0	0	0	57
500 Street Lighting	59	0	0	0	59
Motor Vehicle	59	0	0	0	59
501 Highway Maintenance	465	0	0	0	465
Motor Vehicle	465	0	0	0	465
503 Engineering and Construction	159	0	0	0	159
General	39	0	0	0	39
Motor Vehicle	120	0	0	0	120
548 Conduits	55	1	0	0	56
Conduit Enterprise	55	1	0	0	56

F I S C A L 2 0 0 7

OPERATING CHANGES TO PERMANENT FULL-TIME POSITIONS

AGENCY, PROGRAM AND FUND	FISCAL 2006 BUDGET	B OF E CHANGES	ABOLISHMENTS	OTHER CHANGES	FISCAL 2007 BUDGET
Wage Commission	8	0	0	0	8
165 Wage Enforcement	8	0	0	0	8
General	8	0	0	0	8
War Memorial Commission	6	0	0	0	6
487 Operation of War Memorial Building	6	0	0	0	6
General	6	0	0	0	6
GRAND TOTAL	15,137	97	(104)	0	15,130
SUMMARY BY FUND					
General	9,042	54	(8)	295	9,383
Motor Vehicle	1,800	2	0	(37)	1,765
Parking Management	101	0	0	0	101
Waste Water Utility	1,069	(1)	(11)	2	1,059
Water Utility	926	1	(20)	(7)	900
Conduit Enterprise	55	1	0	0	56
Loan and Guarantee Enterprise	2	0	0	0	2
Federal	1,026	13	(56)	(247)	736
State	358	9	(7)	(9)	351
Special	381	18	(2)	3	400
Internal Service	377	0	0	0	377
GRAND TOTAL	15,137	97	(104)	0	15,130

PERMANENT FULL-TIME POSITIONS BY AGENCY AND FUND
Fiscal 2003 - Fiscal 2007

AGENCY AND FUND	FISCAL 2003 AMENDED BUDGET	FISCAL 2004 AMENDED BUDGET	FISCAL 2005 AMENDED BUDGET	FISCAL 2006 BUDGET	FISCAL 2007 ADOPTED BUDGET
Board of Elections	3	3	3	3	3
General	3	3	3	3	3
City Council	70	70	70	58	64
General	70	70	70	58	64
Community Relations Commission	14	14	14	14	14
General	13	13	13	13	13
Federal	1	1	1	1	1
Comptroller	100	100	100	102	102
General	66	66	66	66	66
Special	0	0	0	2	2
Internal Service	34	34	34	34	34
Council Services	6	6	6	7	7
General	6	6	6	7	7
Courts: Circuit Court	154	124	124	125	127
General	85	83	84	84	86
Federal	19	19	19	19	19
State	50	22	21	22	22
Courts: Orphans' Court	5	5	5	5	5
General	5	5	5	5	5
Employees' Retirement Systems	54	54	85	85	88
Special	54	54	85	85	88
Enoch Pratt Free Library	416	432	421	417	418
General	346	351	345	346	346
State	44	61	62	62	63
Special	26	20	14	9	9
Finance	386	349	313	318	318
General	303	300	266	271	271
Loan and Guarantee Enterprise	2	2	2	2	2
Internal Service	81	47	45	45	45
Fire	1,748	1,737	1,741	1,743	1,743
General	1,724	1,713	1,717	1,719	1,719
Special	24	24	24	24	24
Health	770	742	719	680	671
General	236	231	174	183	192
Federal	368	367	299	268	262
State	71	69	66	49	42
Special	95	75	180	180	175
Housing and Community Development	528	533	528	518	541
General	101	117	113	135	338
Federal	331	315	317	312	119
State	75	63	60	67	61
Special	21	38	38	4	23
Human Resources	54	48	50	53	56
General	47	41	43	46	49
Internal Service	7	7	7	7	7
Law	125	105	101	101	103
General	74	68	58	60	62
Special	10	11	14	13	13
Internal Service	41	26	29	28	28
Legislative Reference	7	9	8	8	8
General	7	9	8	8	8

PERMANENT FULL-TIME POSITIONS BY AGENCY AND FUND
Fiscal 2003 - Fiscal 2007

AGENCY AND FUND	FISCAL 2003 AMENDED BUDGET	FISCAL 2004 AMENDED BUDGET	FISCAL 2005 AMENDED BUDGET	FISCAL 2006 BUDGET	FISCAL 2007 ADOPTED BUDGET
Liquor License Board	33	33	33	33	33
General	33	33	33	33	33
Mayoralty	51	50	50	50	51
General	51	50	50	50	51
M-R: Cable and Communications	9	9	9	9	12
General	2	2	2	2	2
Special	7	7	7	7	10
M-R: Commission on Aging and Retirement Education	83	75	77	71	79
General	11	20	6	5	5
Federal	43	30	39	38	39
State	29	25	32	28	35
M-R: Convention Complex	169	169	172	177	177
General	169	169	172	177	177
M-R: Environmental Control Board	5	5	5	5	6
General	5	5	5	5	6
M-R: Office of Children, Youth and Families	7	7	7	8	9
General	7	7	7	7	7
Federal	0	0	0	1	2
M-R: Office of CitiStat Operations	8	8	8	8	8
General	8	8	8	8	8
M-R: Office of Employment Development	374	375	398	349	295
General	14	14	13	13	42
Federal	314	334	370	327	245
State	46	26	14	8	8
Special	0	1	1	1	0
M-R: Office of Information Technology	96	133	131	168	171
General	96	133	131	168	171
M-R: Office of Neighborhoods	8	12	12	12	12
General	8	12	12	12	12
M-R: Office of the Inspector General	0	0	0	0	5
General	0	0	0	0	5
M-R: Office of the Labor Commissioner	5	5	5	5	5
General	5	5	5	5	5
Municipal and Zoning Appeals	9	9	9	10	10
General	9	9	9	10	10
Planning	44	42	51	51	52
General	28	25	31	29	29
Motor Vehicle	10	10	10	9	9
Federal	6	7	10	13	14
Police	4,102	4,030	3,983	3,935	3,937
General	3,630	3,686	3,718	3,728	3,730
Motor Vehicle	95	95	86	86	86
Federal	234	106	16	9	9
State	112	112	112	61	61
Special	31	31	51	51	51
Public Works	3,620	3,548	3,464	3,461	3,428
General	600	546	517	552	595
Motor Vehicle	705	675	661	651	611
Waste Water Utility	1,088	1,091	1,086	1,069	1,059
Water Utility	952	957	936	926	900
Federal	7	7	0	0	0
Internal Service	268	272	264	263	263

PERMANENT FULL-TIME POSITIONS BY AGENCY AND FUND
Fiscal 2003 - Fiscal 2007

AGENCY AND FUND	FISCAL 2003 AMENDED BUDGET	FISCAL 2004 AMENDED BUDGET	FISCAL 2005 AMENDED BUDGET	FISCAL 2006 BUDGET	FISCAL 2007 ADOPTED BUDGET
Recreation and Parks	372	368	362	364	364
General	300	296	292	314	314
Motor Vehicle	40	40	40	40	40
Federal	5	6	6	5	5
State	16	20	18	0	0
Special	11	6	6	5	5
Sheriff	203	202	202	203	203
General	203	202	202	203	203
State's Attorney	376	394	396	402	417
General	271	273	278	309	338
Federal	58	59	58	33	21
State	46	61	60	60	58
Special	1	1	0	0	0
Transportation	1,565	1,566	1,570	1,565	1,574
General	396	395	394	394	397
Motor Vehicle	1,004	1,006	1,012	1,014	1,019
Parking Management	104	104	103	101	101
Conduit Enterprise	54	55	55	55	56
Federal	2	0	0	0	0
State	0	1	1	1	1
Internal Service	5	5	5	0	0
Wage Commission	8	8	8	8	8
General	8	8	8	8	8
War Memorial Commission	6	6	6	6	6
General	6	6	6	6	6
GRAND TOTAL	15,593	15,385	15,246	15,137	15,130
SUMMARY BY FUND					
General	8,946	8,980	8,870	9,042	9,383
Motor Vehicle	1,854	1,826	1,809	1,800	1,765
Parking Management	104	104	103	101	101
Waste Water Utility	1,088	1,091	1,086	1,069	1,059
Water Utility	952	957	936	926	900
Conduit Enterprise	54	55	55	55	56
Loan and Guarantee Enterprise	2	2	2	2	2
Federal	1,388	1,251	1,135	1,026	736
State	489	460	446	358	351
Special	280	268	420	381	400
Internal Service	436	391	384	377	377
GRAND TOTAL	15,593	15,385	15,246	15,137	15,130

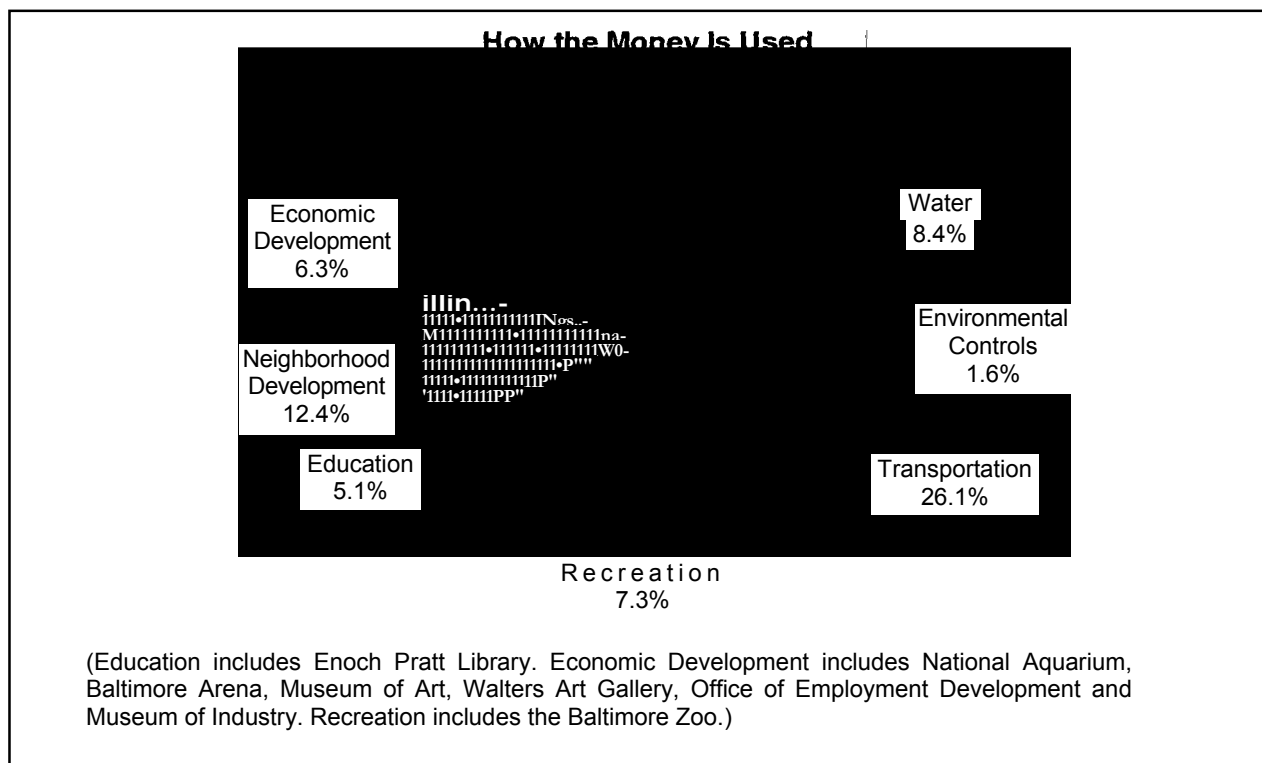
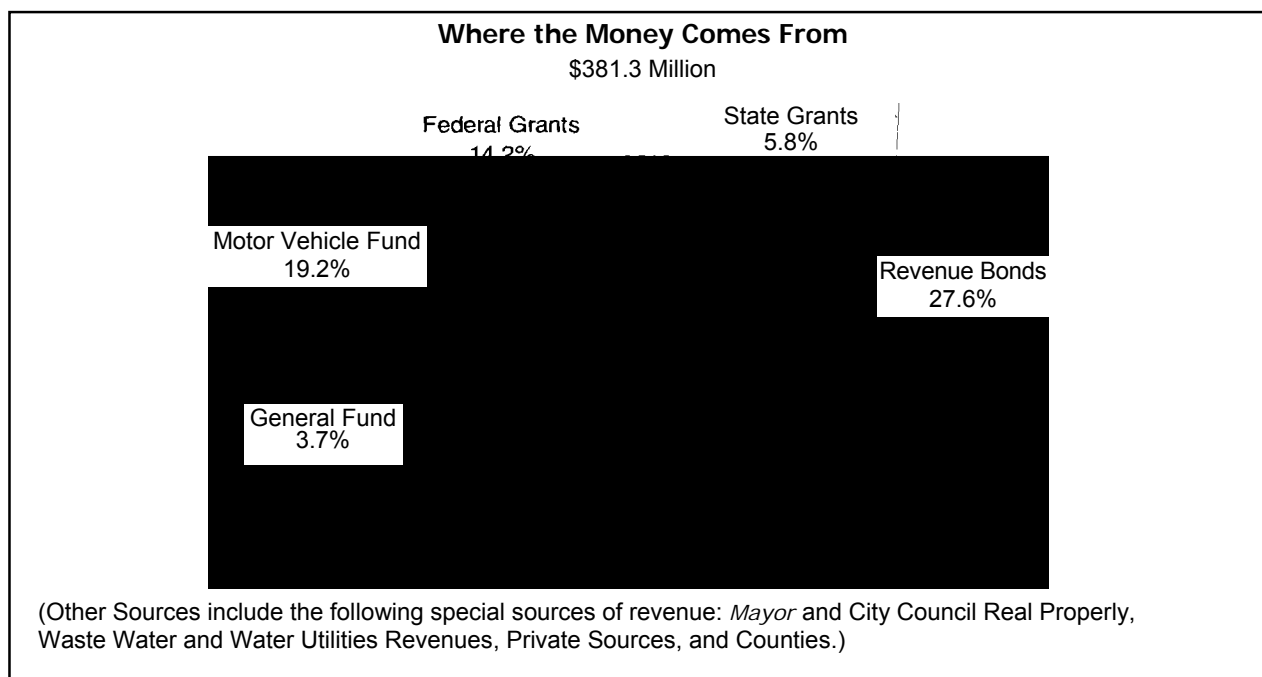
Fiscal 2007

Summary of the Adopted Budget

Capital Budget

FISCAL 2007

CAPITAL BUDGET



Due to rounding, percentages may not add to 100.0%.

FISCAL 2007

SUMMARY OF THE ADOPTED BUDGET Capital Budget Plan Highlights

City agencies submitted to the Planning Commission capital project requests totaling \$372.8 million for Fiscal 2007. The funding sources and amounts that constitute the Fiscal 2007 requests are:

City General funds	\$ 5,376,000
Motor Vehicle Revenue funds	71,780,000
Utility funds	10,500,000
Federal funds	58,202,000
State funds	14,700,000
Revenue Loan funds	105,809,000
General Obligation Bond funds	64,945,000
County funds	28,633,000
Other funds	12,870,000
Total Requested	\$372,815,000

After careful evaluation by the Board of Estimates of each project within the context of Citywide needs and objectives as developed by the Planning Commission and the Director of Finance, total appropriations in the Fiscal 2007 Capital Plan are \$381.3 million. Funding sources and amounts are:

City General funds	\$ 14,000,000
Motor Vehicle Revenue funds	73,440,000
Utility funds	11,000,000
Federal funds	53,967,000
State funds	22,100,000
Revenue Loan funds	105,309,000
General Obligation Bond funds	60,000,000
County funds	28,633,000
Other funds	12,870,000
Total Appropriations	\$381,319,000

An alphabetical listing of capital budget highlights.

BALTIMORE CITY PUBLIC SCHOOLS

The appropriation for Fiscal 2007 total \$17.0 million for capital expenditures and general systemic improvements.

ECONOMIC DEVELOPMENT

The appropriation for Fiscal 2007 is \$24.1 million. Development projects include \$12.5 million for West Side development and \$5.8 million for general industrial and commercial development funding.

HIGHWAYS AND TRANSPORTATION

The appropriation for Fiscal 2007 is \$99.4 million. Highway projects include \$7.7 million for federal highways and \$79.1 million for local highway construction.

NEIGHBORHOOD DEVELOPMENT

The appropriation for Fiscal 2007 is \$47.3 million. Housing and community development projects include \$5.3 million for East Baltimore redevelopment, \$12.2 million for neighborhood revitalization and development, \$9.3 million for housing development and \$3.0 million for vacant house demolition

WATER AND WASTE WATER

The appropriation for Fiscal 2007 is \$143.2 million. The projects include \$32.0 million for City water system improvements and \$111.2 million for the City's waste water systems. Significant projects include \$19.1 million for Stony Run interceptor project, \$45.1 million for various sewershed rehabilitation and evaluation projects and \$10.0 million for Water Infrastructure Rehabilitation.

FISCAL 2007

SUMMARY OF THE ADOPTED BUDGET
Capital Plan Budgetary Policy

The Baltimore City Charter specifies that the Planning Commission shall submit a recommended Capital Plan and a long-range Capital Improvement Program to the Board of Estimates. The Board shall adopt such budget and program as it deems appropriate after receiving reports and recommendations on the Planning Commission's proposals from the Director of Finance and the Board of Finance.

Capital Plan recommendations are founded on these tenets of financial management.

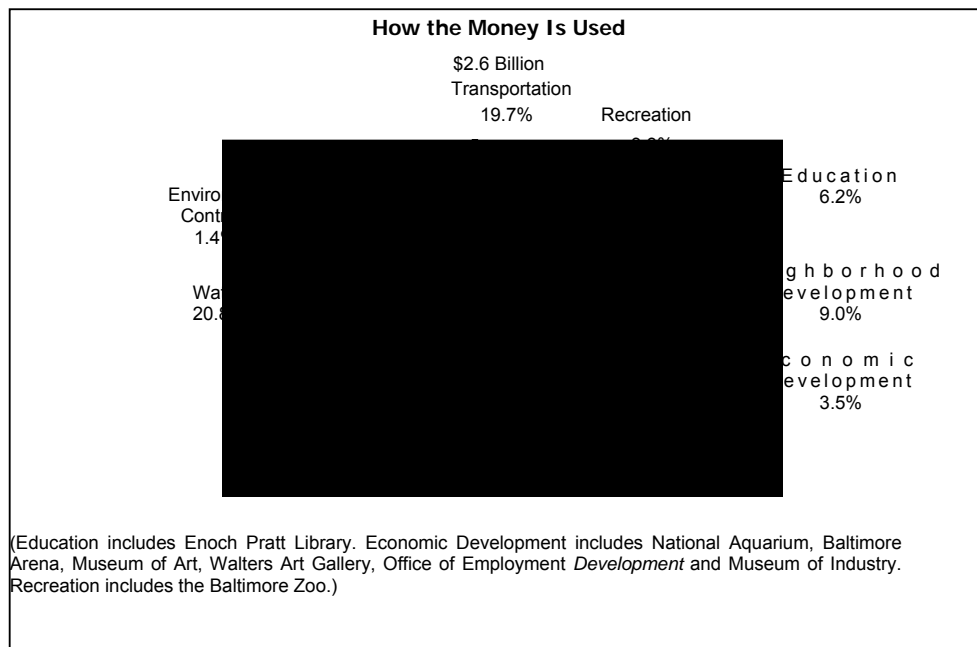
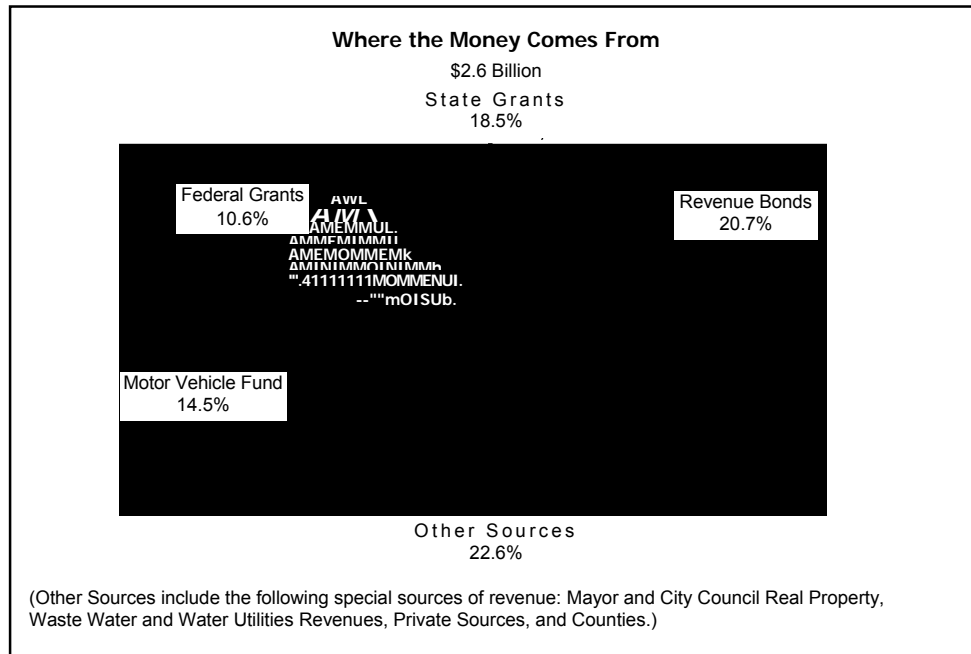
- There shall be no appropriation for needs, which will not exist during the fiscal period.
- There shall be no appropriation unless the source of revenue is generated or earned during the fiscal period.

The City's policy is to finance annually a portion of capital improvements from General Fund or current revenues on a pay-as-you-go basis. The Pay-As -You-Go General Fund Capital Program is appropriated at \$14.0 million for Fiscal 2007. The General Fund Capital Budget appropriation by agency is as follows:

Enoch Pratt Free Library	\$ 1,200,000
Finance	\$ 5,000,000
Health	\$ 220,000
Housing and Community Development	\$ 2,300,000
Mayoralty	\$ 500,000
Municipal Markets	\$ 630,000
Public Works	\$ 650,000
Recreation and Parks	\$ 3,500,000

FISCAL 2007 - 2012

CAPITAL IMPROVEMENT PROGRAM



Due to rounding, percentages may not add to 100.0%

SUMMARY OF THE ADOPTED BUDGET

Capital Projects Impact on Operating Budget

Policy

In Fiscal 2004, the capital budget was redesigned to incorporate a set of mandatory operating budget impact fields. Agencies must identify and project reasonably quantifiable revenue and expenditure impacts of capital projects in their first and subsequent years of impact.

Fiscal 2007 Operating Impact of Capital Projects

Most of Baltimore City's capital program focuses on capital infrastructure maintenance and replacement. New facility projects or expansions with operating impacts are limited. Because of the back log of major rehabilitation, repair and maintenance activities, savings associated with major reconstruction or rehabilitation are absorbed by built in expenditure requirements associated with meeting existing needs. The capital projects identified in the budget process with operating impacts are discussed below.

Capital appropriations are made to non-profit entities that will be responsible for operating expenses. In some cases these non-profits also receive operating subsidies from the City. Accordingly, in a minority of instances the expansion of a private facility may lead to a request for an increase in operating subsidy. Major new facilities operated by non-profits receiving new or continuing appropriations in the Fiscal 2007 capital budget include: Walters Art Museum (Project 127-135); Maryland Science Center (Project 127-138); B&O Railroad Museum – CarShops Restoration; and, Health Care for the Homeless – New Facility (Project 127-402). The latter entity receives federal and State grant support funding appropriated in the City's Ordinance of Estimates.

Health Department

The Fiscal 2007 appropriations provide for repairs and renovations at the Baltimore City Animal Shelter (Project 312-320) and the Eastern (Project 312-322) and Druid (Project 312-323) Health Centers. These improvements are estimated to increase operating expenses about \$8,000 to \$13,000 annually. The net effect will be an annual operating expense reduction of about \$50,000 annually which will be available for other needs.

Department of Public Works - Solid Waste Facilities

The largest single operating impact resulting from new appropriations in this capital budget is related to expansion of the City's solid waste disposal facility, Quarantine Road Landfill (Project 517-047). Development of the new capacity to meet future needs is going to require an annual operating appropriation of \$800,000 to increase funding for the landfill closure trust fund. Smaller projects for solid waste district garage facilities are going to lead to additional operating costs of about \$500,000 cumulatively over Fiscal Years 2007 through 2010. This multi-year project (Project 517-500)

provides for renovations to various solid waste facilities designed to enhance the safety, operations and appearance of the facilities.

Additional operational impacts will result from the Back River Digester Renovation (Project 551-526). The Back River Digester Renovation is needed to the sealing and structural repair of two concrete sludge digesters, construction of an acid phase reactor tank and additional GBTs and an equalization tank. The operational cost \$35,000 may impact the Fiscal 2008 budget.

Department of Recreation and Parks

Two major facilities are funded or receiving continuing funding in the Fiscal 2007. Funding for the Jones Falls Inner Harbor Trail and pedestrian improvement program continues. The Agency estimates an operating impact initially of about \$60,000 for staffing and maintenance. If the Jones Falls Inner Harbor Trail grows like the Gwynns Falls Trail program has, annual operating expenditures may approach \$300,000. The budget provides an initial appropriation for a new visitor's center at the Cylburn Arboretum. When completed it is estimated that an additional \$25,000 operating expenses will be incurred beginning in Fiscal 2008.

Department of Public Works - Water and Waste Water Enterprise

The installation of automated meter reading technology continues in the Fiscal 2007 Ordinance of Estimates (Project 557-133). Approaching full implementation, the state of the art system has already resulted in saving which are estimated to be a little over \$1.0 million annually when the system is fully completed. This cost reduction becomes available to meet other operating needs of the utility systems.

TOTAL CAPITAL APPROPRIATIONS

Capital Appropriations	Fiscal 2006 Budget	Fiscal 2007 Budget	Dollar Change	Percent Change
Pay-As-You-Go				
General Fund	\$ 3,460,000	\$ 14,000,000	\$ 10,540,000	304.6%
Motor Vehicle	66,228,000	73,440,000	7,212,000	10.9%
Waste Water Utility	3,325,000	4,000,000	675,000	20.3%
Water Utility	6,000,000	7,000,000	1,000,000	16.7%
Total Pay-As-You-Go	79,013,000	98,440,000	19,427,000	24.6%
Grants				
Federal Funds	54,186,000	53,967,000	(219,000)	(0.4)%
State Funds	12,929,000	22,100,000	9,171,000	70.9%
Total Grants	67,115,000	76,067,000	8,952,000	13.3%
Loans and Bonds				
Revenue Bonds	160,447,000	105,309,000	(55,138,000)	(34.4)%
General Obligation Bonds	56,500,000	60,000,000	3,500,000	6.2%
Total Loans and Bonds	216,947,000	165,309,000	(51,638,000)	(23.8)%
Mayor & City Council Real Property	2,800,000	6,500,000	3,700,000	132.1%
All Other	51,468,000	35,003,000	(16,465,000)	(32.0)%
Total Capital - All Funds	\$ 417,343,000	\$ 381,319,000	\$(36,024,000)	(8.6)%

FISCAL 2007

CAPITAL BUDGET FUND DISTRIBUTION BY AGENCY DETAIL

(Dollars in Thousands)

Agency	General Funds	General Obligation Bonds	Revenue Loans	Motor Vehicle Funds	Utility Funds	Federal Funds	State Funds	Other Funds	AGENCY TOTAL
Baltimore City Public Schools		17,000							17,000
Enoch Pratt Free Library	1,200	1,300	0	0	0	0	0	0	2,500
Finance	5,000	0	0	0	0	0	0	0	5,000
Health	220	0	0	0	0	250	0	0	470
Housing & Community Development	0	0	0	0	0	0	0	0	0
Community Development	2,300	19,550	0	0	0	16,892	500	7,800	47,042
Economic Development	0	10,800	0	0	0	0	8,000	3,000	21,800
Mayoralty-Related	0	0	0	0	0	0	0	0	0
B & O Museum	0	500	0	0	0	0	0	0	500
Information Technology Initiatives	100	0	0	0	0	0	0	0	100
Healthcare for the Homeless Facility	0	650	0	0	0	0	0	0	650
Community Development	200	700	0	0	0	0	0	0	900
Science Center Expansion	0	300	0	0	0	0	0	0	300
Walters Art Gallery	0	500	0	0	0	0	0	0	500
Senior Centers	200	0	0	0	0	100	0	70	370
Municipal Markets	630	0	0	0	0	0	0	0	630
Planning	0	700	0	0	0	0	0	0	700
National Aquarium	0	750	0	0	0	0	0	0	750
Public Works	0	0	0	0	0	0	0	0	0
Erosion/ Polluton Control	0	0	0	2,500	0	0	0	0	2,500
General Services	650	3,080	0	670	0	0	150	0	4,550
Solid Waste	0	0	0	100	0	0	0	1,000	1,100
Storm Water	0	0	0	3,500	0	0	0		3,500
Waste Water	0	0	89,648	0	4,000	0	0	17,502	111,150
Water	0	0	13,869	0	7,000	0	0	11,131	32,000
Recreation and Parks	3,500	4,170	0	2,550	0	3,600	13,050	1,000	27,870
Transportation	0	0	0	0	0	0	0	0	0
Alleys and Sidewalks	0	0	0	3,250	0	0	0	0	3,250
Federal Highways	0	0	0	1,635	0	6,045	0	0	7,680
Local Highways	0	0	1,792	53,035	0	23,880	400	0	79,107
Street Lighting	0	0	0	1,500	0	0	0	0	1,500
Traffic	0	0	0	4,700	0	3,200	0	0	7,900
TOTAL BY FUND	\$14,000	\$60,000	\$105,309	\$73,440	\$11,000	\$53,967	\$22,100	\$41,503	\$381,319

Fiscal 2007

Summary of the Adopted Budget

Revenue Outlook

SUMMARY OF THE ADOPTED SUMMARY

Economic Outlook

Prospects: Effective Use of Management tools to support Physical and Human Resource

Development – Baltimore has a long history as a model for physical redevelopment projects. Since the 1960s Baltimore has been known internationally for innovative and successful physical redevelopment efforts. Beginning with Charles Center and the Inner Harbor waterfront, and including facilities such as the National Aquarium and the Camden Yards baseball park, the City has been a model, drawing visitors from around the world to examine successful physical development. Now physical redevelopment expands well beyond the Inner Harbor and the historic City center. Record investment in key projects includes the development of major biomedical engineering parks on both the east and west side of downtown and massive redevelopment of brownfield abandoned industrial sites in all quarters of the City.

But now Baltimore presents a new model to the world – a model of how to manage limited resources and make an old urban center attractive *as* a place to invest and live by making sure that basic city services are delivered effectively to support the development of human resources. The key task before City public policymakers and the key challenge which the current Administration has met, is how best to continue to support growth and re-development within a landlocked area of 87 square miles.

CitiStat has been the primary tool used in Baltimore to reduce costs and target limited resources to support human and physical resource development. Now, visitors from around the world come to see how good management creates accountability and a framework for policy and operating decisions to best utilize limited resources to enhance development opportunities. This is essential, because the City's land area is fixed and limited. It is necessary because the basic economic and demographic facts make Baltimore one of the most fiscally challenged cities in the nation. The CitiStat management tool is critical to basic economics and the improvement of the lives of all residents. CitiStat's management accomplishments are numerous. For example, operational savings, revenue enhancements and improvement in the quality of services and will continue to be critical to sustain the economic improvement of the City.

Fundamental Economics: The People – Economics is best understood not as obscure formulas, or leading, lagging, coincident indicators, or dependent, independent, conjectural or external variables. It is about people. In America people vote, make economic decisions, with their feet. The people decide whether you have a declining, stable or expanding economy. People tell you with their simple actions what is important about economics. For fifty years people left the City. Beginning in 1950, when the City's population peaked near 1.0 million people, until 2000 people moved out of the City at a rate of nearly 500 per month. This exodus peaked in the 1970s with people leaving at the rate of just shy of 1,000 per month. The exodus in the 1990s was just a little over 700 monthly.

Turning Points: The Market at Work – That has changed. Based on the last official Census estimate the rate of population loss has declined from 1990s 707 monthly rate to 93 persons a month from July 2001 to July 2004. Baltimore City has already joined a small group of cities

that have stemmed population loss significantly. Based on the pattern of Census adjustments to City population estimates the Finance Department believes it is possible, if the July 2005 Census estimate is successfully appealed, to see a remarkable result. Baltimore is poised and may be about to join an even smaller group, an elite group, of old, historic central cities that have reversed population decline and are growing once again. The City has become a viable and often preferred choice for living for an increasing number of people locating to the Maryland-Virginia District of Columbia area.

Because Baltimore is landlocked, policymakers must focus their efforts on the continuation of the CitiStat management effort, the marshalling of all resources, and the preservation of all current revenue streams to continue the development of the City's human and physical capital. This is common economic sense. It is required because of the failure of State and national policies to effectively deal with the disinvestment in America's historic urban centers and the growing ring of poverty in the nation's inner suburbs surrounding core central cities.

Housing People is Fundamental – The primary indicator used in appealing Census population estimates is housing data. Housing data is one of the most impressive pieces of evidence indicative of the up tick in confidence people have in the City. According to the Baltimore Metropolitan Council building permit data, the City led the six counties in the region between calendar 2004 and 2005 in the rate of growth in new residential construction with a 34.2% increase in permits. The City and Harford County were tied for the lead in growth of single family building permit increase between 2004 and 2005, with increases of 45.3% and 45.7% respectively.

City records indicate that since 2001 nearly 6,000 new residential units have been constructed in the City. This includes rental and single family units. The number does not begin to capture the number of housing units that have been rehabilitated throughout the City. Currently there are over 4,000 residential units under construction. This represents a remarkable turnaround. Much of the renewed interest in the City, and central cities elsewhere reflect the workings of the many factors that make national and regional housing markets function.

Prudent Management Essential for Sound Economics – But there can be no doubt that the interest in Baltimore reflects the special accomplishments of the concerted efforts of the widely acclaimed CitiStat management program which has achieved international recognition, the highest awards that professional and academic institutions offer and is being implemented in jurisdictions throughout the world. But most important, its focus on delivering services to people, supporting the development of human capital, has been essential to support private reinvestment in the City.

Economic Outlook: General Conditions – In the near term, the next sixteen months, the nation, State and City are expected to benefit from continued moderate economic growth, with no material slowdown anticipated. Prior year concerns over the relationships between short and long term interest rates have lessened. This is due to the emerging understanding that the United States (U. S.) has unhealthy economic relationships with its trading partners, and its energy suppliers. They are forced to lend us money and prop up ongoing trade relationships until they develop stronger domestic markets or otherwise undergo dramatic internal changes.

The City must continue to act to shore up its financial reserves, invest in one-time capital and operating system improvements, and avoid using one-time revenues to substantially expand current operating budget obligations. This is necessary in order to weather the national economic slowdown that is possible because of the economic factors that we can not ignore: (1) the federal budget deficit, (2) the foreign trade deficit, and (3) burgeoning consumer debt. All these national debt measures are at record levels. Any one of these debt factors could drag the nation into a recession if a system shock materializes. Such shocks might be more upward spikes in energy costs, unreasonable interest rate hikes, a slowdown of foreign investment in U.S. debt, a deteriorating national security situation or expanding foreign conflicts. Of particular concern is real estate asset price appreciation. Popular media had identified a "housing bubble." This forecast presumes no such shocks to the system during the budget period.

Current Situation: Positive Local News – The City enters Fiscal 2007 with the largest General Fund surplus in memory. Like the State, and other Maryland subdivisions, the City has benefited from current economic conditions. Policymakers are addressing how best to use a net surplus projected at mid-year from Fiscal 2006 operations of about \$61.0 million. Subsequent to the adoption of the budget, final revenue and expenditure results increased the surplus to \$90.2 million.

The American economy continues to be a good performer, as measured by traditional indicators such as Gross Domestic Product (GDP). The nation's GDP grew about 3.1% in calendar 2005, and economists' forecasts for GDP are in the 3.0% to 4.0% range in calendar 2006 with possible slowing in calendar 2007. The GDP is not as strong as in burgeoning Asian countries like India, where the GDP grew at a 7.6% rate, but is stronger than the European Community where GDP growth was a modest 1.7%. The most recent data available for the Maryland Gross State Product (GSP) shows that it grew 4.8% in 2004 exceeding the national average of 4.3%. That growth exceeded neighboring New Jersey, West Virginia and Pennsylvania but lagged Delaware, the District of Columbia and Virginia. The latest available data from Standard and Poor's - DRI shows that Baltimore-Towson Metropolitan Product (GMP) for 2004 grew at the national metropolitan area average rate of 6.8%. This reflects the fact that growth is concentrated in the nation's metropolitan areas and that the Baltimore area is doing well. Solid growth in Baltimore outpaced Philadelphia to the north where GMP grew 5.6% but lagged the growth in the Washington Metro area which increased by 9.2%.

No recession is in sight in the near term. However, there are reasons to be cautious that require prudence in budget decision making.

Underlying Concerns – Some might argue that the economy is operating extraordinarily well, claiming success in dealing with the shocks of the Hurricane Katrina disaster and the related energy supply interruption. They would shrug off the fact that the U.S. is paying for both sides of a war in the Middle East.

Others would argue that the displacements of Hurricane Katrina and the rebuilding of the Gulf Coast region have barely been addressed. Overlooked is the fact that local governments and private businesses around the nation, like Baltimore, moved in to provide assistance to victims of Katrina, backfilling where federal agencies failed to perform. They would also point out that the U.S. energy dependency problem and the debt problems are not being addressed. A basic question must be asked about performance. Does our bag of economic tools measure the right thing? Are these measures meaningful in terms of reflecting improvement in the quality of life,

and the security and comfort of all Americans? What is the quality of employment? Is a living wage provided along with adequate health benefits and a reasonably secure retirement? Is compensation equitable and the wealth of a growing economy appropriately shared by households throughout the income spectrum?

Some of the answers are discouraging. The U.S. spends 16.0% of its GDP on health care while 30.0% of the nation has no health insurance. Other developed nations generally spend less than 10.0% while providing broader health coverage. A growing number of private employers are reducing or eliminating retirement programs. The number of people living in poverty is growing. Wealth growth is concentrated at higher income levels. Some researchers identify a shrinking middle class. Other data points to "baby-boomer echo" generation effects as baby boomers find themselves able and wanting to work longer or forced to work longer.

This discussion has emphasized in the past that measures being used to gauge the performance of the economy may not be doing the job. In the early 1990s Wal-Mart redefined the meaning of economic indicators regarding inventory by re-shaping the way the supply chain works. In the late 1990s Alan Greenspan struggled with the problem of the failure of existing tools used to measure productivity. There are convincing arguments that the world of foreign trade relationships and business investment patterns comprises the main ingredient of change which is not properly understood or measured.

It is the rate of change that is the most important change. Our ability to measure things tends to lag the changes in the way business is done, people behave and how the economy performs. It is the identification of the changes that is the most important skill. The ability of public policymakers to draw upon these skills to make appropriate public policy is the most critical action that will affect our future.

The "Elephants in the Corner" – Many economists are concerned that the major problems faced by the economy are not being addressed – the "elephants in the corner" ignored by everyone in the room. The consumer is supporting a growing share of the GDP. Consumers who now have a record \$2.2 trillion in debt support over 70.0% of the GDP. The personal savings rate was in a negative position in 2005 for the first time since the Great Depression. The federal budget deficit is a record \$8.4 trillion. The long-term viability of major federal spending programs such as Medicare and Social Security are not being addressed. The overall share of government spending as a proportion of GDP has declined over the last three decades. State and local capital borrowing for new investment declined in Fiscal 2005 while refinancing grew to take advantage of low interest rates. Businesses likewise are not fully investing the cash reserves that have built up in recent years. Instead this past year has witnessed record utilization of cash to repurchase stock. Some observers speculate this may be an effort to shore up equity prices. In addition, businesses are investing substantial amounts in foreign based operations. The foreign trade deficit share of the GDP, last positive in 1971, is now a negative 5.2%. The trade deficit grew a record \$726.0 billion in 2005, and monthly deficit reports continue to set records.

Emerging Evidence of the Elephants – One of the immediate indicators in the 2007 City budget that all is not well with this debt driven economy is the fact that the City is allocating \$11.8 million in General Fund spending to backfill gaps created by cutbacks in federal domestic spending. Details are presented in the Operating Budget Plan discussion of critical public safety, housing and community development and job training costs assumed by the City.

A second major negative is that budgeted energy costs are being driven up \$9.6 million due to the demand from growing economies abroad and the effect of deregulating the utility industry. Thirdly, other budget costs are being driven up as supply costs increase due to foreign demand. For instance, the American roofing industry forecasts that China, the world's largest roofer, will annually roof over an area 10.5 times greater than the land area of Baltimore or 2.6 times greater than the land area of New York City.

In order to sustain investor interest in American debt, curb perceived and real inflationary threats and tame the expansion of unreasonable real estate asset valuations, the Federal Reserve has increased and will likely continue to increase interest rates.

This has contributed to the fourth major indicator of a change in course that affects the upcoming budget. Economists and widely published accounts in the media report that the housing market has reached its zenith. Given that so much of Baltimore's revenue growth over the past few years was driven by real estate based revenues, the City must proceed with caution.

The Task Ahead – In view of the reality of the concerns outlined in this discussion, City policy-makers must not squander one-time windfall resources. Unsustainable additions to baseline operating expenditures must be avoided and, where absolutely necessary, minimized as is the case with certain federal program cutbacks. New debt service and Pay As You Go (PAYGO) requirements for capital infrastructure improvements must be funded. Obligations to human capital development – the City's children – must be made. Reasoned and limited tax reduction is only appropriate if commensurate action is taken to fund mandated accounting requirements for employee benefits and other mandated requirements for employee retirement obligations and the needs mentioned above. Otherwise, the fiscal integrity of the City is undermined.

The focus of policymakers must remain on continuing the effort to provide the basic services of government, in the most effective manner possible, building upon the proven successes of the CitiStat management tool and the other management initiatives undertaken by the current administration. The City must continue to maximize its investment in its physical and human infrastructure and prepare to address future funding requirements.

FISCAL 2007

SUMMARY OF THE ADOPTED BUDGET Revenue Forecast — Major Revenues

GENERAL FUND

	Fiscal 2005 Actual	Fiscal 2006 Budget	Fiscal 2007 Estimated	Dollar Change	Percent Change
Revenue Category					
Taxes - Local	\$904,091,089	\$903,408,000	\$993,741,000	\$90,333,000	10.0%
Licenses and Permits	28,141,712	26,585,000	30,396,000	3,811,000	14.3%
Fines and Forfeits	3,574,768	2,295,000	2,728,000	433,000	18.9%
Use of Money and Property	23,459,727	21,374,000	25,489,000	4,115,000	19.3%
Federal Grants	149,635	75,000	119,000	44,000	58.7%
State Grants	91,085,396	90,652,000	97,982,000	7,330,000	8.1%
Private Grants	4,388,688	75,000	96,000	21,000	28.0%
Charges - Current Services	35,266,810	38,864,000	38,981,000	117,000	0.3%
Other	35,850,918	22,928,000	14,391,000	(8,537,000)	(37.2)%
Total General Fund Revenue	\$1,126,008,743	\$1,106,256,000	\$1,203,923,000	\$97,667,000	8.8%

Funding sources for the General Fund are anticipated to total \$1.204 billion, an increase of \$97.7 million or 8.8% above the Fiscal 2006 adopted budget of \$1.106 billion.

Diversification of the City's local tax revenues, continued economic growth, strong growth in the real property tax base and other factors allow policymakers to consider a property tax rate reduction. This forecast includes the second installment of a proposed five-year or ten cent property tax rate reduction plan (annual 2 cent cut over five years). The Fiscal 2007 saving for taxpayers will be about \$11.1 million. Cumulative taxpayer savings including the property tax reduction for Fiscal 2006 is about \$15.9 million.

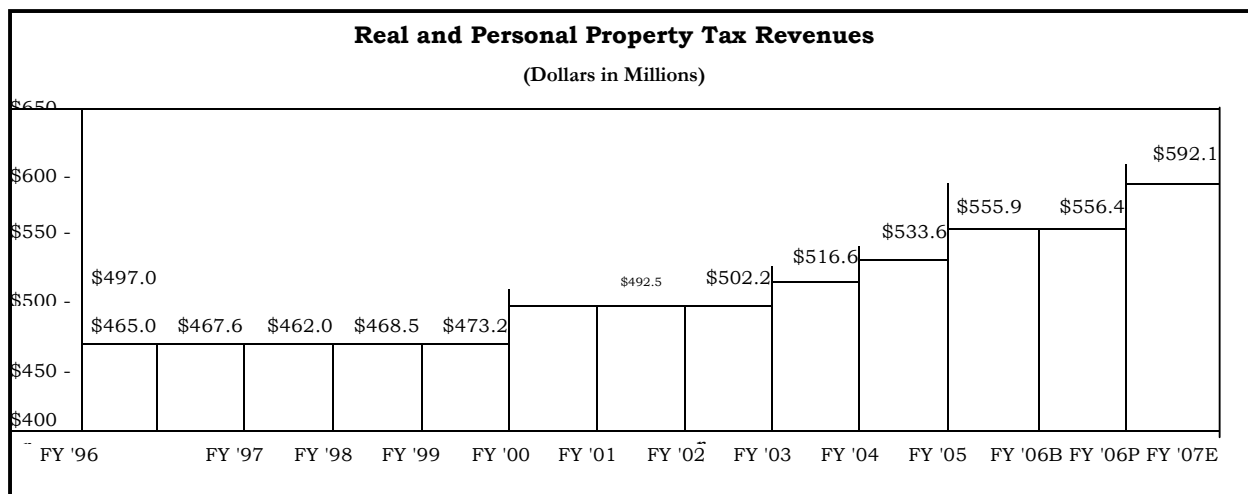
The principal factors resulting in the forecasted revenue increase include the following. First, real property value increases and new construction, reflecting record real estate base growth, contribute to an estimated 6.5% increase in property taxes. Second, a continued active real estate sales market is anticipated to support an increase in recordation and transfer tax receipts of \$31.5 million or 47.2%. Third, an increase of \$23.2 million in income tax receipts is attributed to positive employment trends, continued wage growth, growth in capital gains and possibly changes in the profile of income tax filers due in part to the boom in residential construction. The fourth major factor is an increase in State Aid of \$7.3 million due almost entirely to an increase in the Income Tax Disparity grant.

In Fiscal 2005 The Mayor and City Council took action to broaden the energy tax base (electricity, natural gas, fuel oil, LPG and steam) and broaden the telecommunication tax to include all users and wireless phone service. A diversified revenue stream stands greater

probability of capturing the City's growth potential resulting from the increased investment in the City and, at the same time, help minimize negative factors requiring budget cuts.

PROPERTY TAXES – The Fiscal 2007 budget responses to a real property tax rate reduction for the second year. This will reduce two cents from \$2.308 per \$100 of assessed value lowering it to \$2.288 per \$100 of assessed value, for a cumulative two-year tax rate reduction of four cents or 1.7%. State law requires that the personal property tax rate be set at two and one-half times the real property tax rate. Accordingly, the proposed personal property tax rate would be reduced from \$5.77 per \$100 of assessed value to \$5.72 per \$100 of assessed value. The State Department of Assessments and Taxation (SDAT) estimates the value of all taxable property and issues new assessments for about one-third of the properties each year. All personal property is assessed annually with valuations established by the State based upon returns filed by the individual businesses.

The Fiscal 2007 current year property tax revenues including the 4.0% assessment growth cap tax credit are forecast to increase 6.5% to \$592.1 million or \$36.2 million above Fiscal 2006 budget of \$555.9 million. The increase is due to strong assessment value increases and record levels of new construction activity.



Real

Property

The State reassessed Group 3 for Fiscal 2007. Group 3 includes the City's southwest area, south of Franklinton Road over to Pennsylvania Avenue. Skirting around downtown it includes the Little Italy, Fells Point and Canton neighborhoods. It then goes south to include all of South Baltimore. It includes all the waterfront neighborhoods where the real estate market has been the strongest.

Statewide Group 3 average assessments increased on an annual basis 20.1%, surpassing the Fiscal 2006 annual increase of 15.5%. SDAT reports that this is the largest value increase since the beginning of triennial reassessments in 1980. The City also experienced record average assessment growth of 15.2% on an annual basis more than double the Fiscal 2006 average assessment growth of 7.2%.

Estimated Fiscal 2007 real property tax revenues, after the benefits of the 4.0% assessment growth cap tax credit are realized by homeowners, are anticipated to increase 8.1% from \$456.1

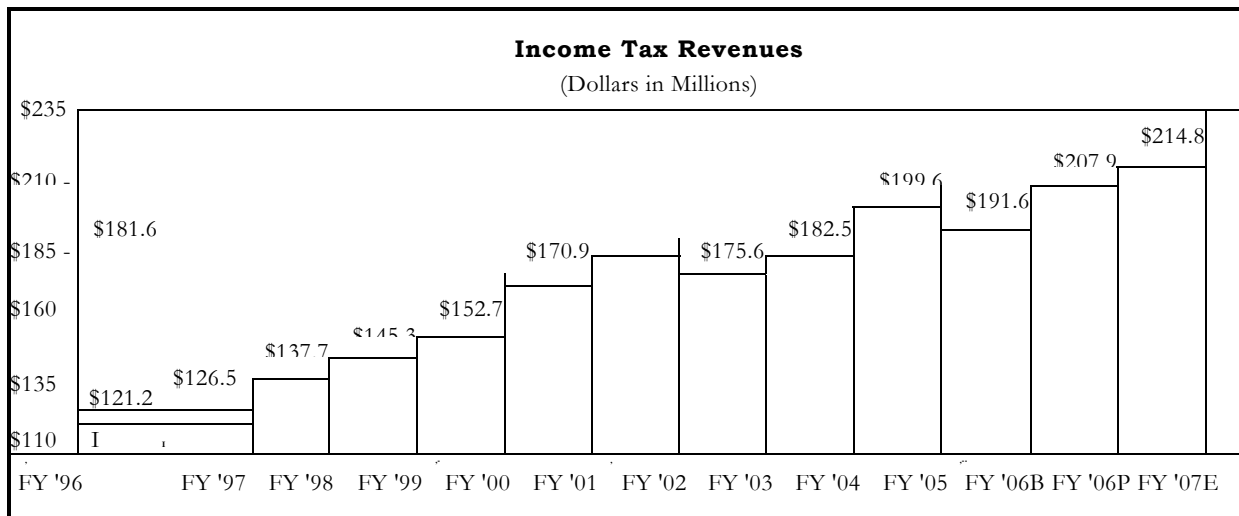
million to \$492.9 million in Fiscal 2007. The increase is a result of record assessment increases, increased levels of new construction and SDAT's reclassification of certain telecommunication personal property as real property.

Owner occupied residential properties are protected from the impact of record assessment increase by the Mayor and City Council decision to maintain the 4.0% assessment growth cap. This tax credit provided owner occupied residential properties protects the taxpayer from any assessment increase in excess of 4.0% over the prior year. Over 80,000 homeowners are estimated to receive tax relief totaling about \$39.0 million in Fiscal 2007. This is a record 51.2% increase in tax relief, \$13.2 million, compared to the Fiscal 2006 tax expenditure cost of \$25.8 million.

Business and Public Utility Personal Property

Total current year business and public utility personal property taxes are estimated to be \$99.4 million, a slight decline of 0.5%, from \$99.8 million in Fiscal 2006. Competition between cable and telephone companies for high speed internet subscribers was anticipated to increase capital expenditures and therefore increase the amount of plant and equipment subject to personal property taxation. SDAT has informed local governments that the likelihood of increased personal property tax revenue as a result of competition for broadband subscribers is not going to materialize until perhaps Fiscal 2008. In addition, SDAT reclassified \$26.6 million of telecommunication personal property taxable base to the real property taxable base. Also affecting personal property revenue is consolidation and reorganization within the utility industries (energy, transportation, and telecommunications). This acts to suppress growth as merged companies consolidate operations and take facilities and equipment out of service to achieve savings.

INCOME TAXES — The City's income tax rate for Fiscal 2007 remains unchanged at 3.05%. Local income taxes are anticipated to yield \$214.8 million or 12.1% above Fiscal 2006 budget of \$191.6 million. The forecasted increase arises principally from the following factors: growth in basic wages and earnings and the total number of taxable returns, strong growth in capital gains due to real estate market, a probable increase in the number of taxable returns that have exhausted carry forward losses from the calendar 2000 stock market collapse now showing gains, and possible change in the demographics of resident taxpayers.

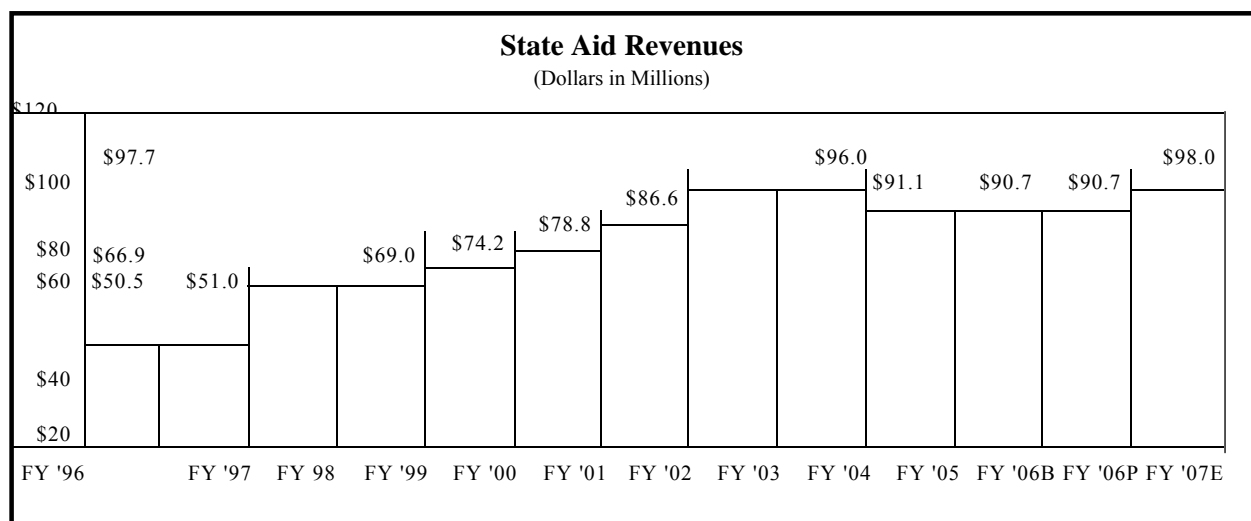


First, wage growth in (the most recent data from the State Department of Labor, Licensing and Regulation show that average weekly wages for jobs located in the City grew by 3.6%. In addition, tax year 2004 saw a slight increase of 0.8% in the number of taxable returns and total returns which may reflect an increase in employment. The last period there was an increase in taxable returns was from tax years 1998 to 2000, the three year stretch at the end of the 1990s economic boom period.

Second, a rebound in capital gains reflects the real estate market boom and a recovery in gains realized from equities. The real estate gains share of total gains is estimated to increase eight-fold from tax year 2001 to a peak in tax year 2006. This represents an increase from a modest 8.4% share of total capital gains in 2001 to an estimate 30.8% share in 2006. A third factor related to growth in capital gains is that forecasters commonly believe that the effects of the tremendous losses sustained in the March 2000 collapse of the stock market resulted in large carry forward losses. It is believed that much of the carry forward losses have now been fully utilized. This in turns contributes to capital gains.

Fourth, Baltimore is experiencing some important changes in demographics and housing which it is believed affect positively trends in income tax receipts. In the most recently completed tax year (tax year 2004) the number of high income taxpayers in the City and the State grew at similar rates, 16.8% and 17.5% respectively. More importantly, the tax payment per high income return grew 30.7% in the City while the Statewide change was 24.9%. The growth and success of Baltimore's homegrown start-up businesses and the relocation of higher income taxpayers to new residences in the City may be contributing to this increase.

STATE AID – State Aid budgeted in the General Fund increased \$7.3 million from \$90.7 million in Fiscal 2006 to \$98.0 million in Fiscal 2007, an increase of 8.0%. This increase is made up almost entirely by an upward spike in the Income Tax Disparity Grant. This aid program as approved in the State budget will be \$76.0 million or \$6.3 million above the Fiscal 2006 grant of \$69.7 million. The aid is based on a formula in State law designed to assure that all subdivisions receive per capita income tax receipts equivalent to 75.0% of the Statewide average per capita local income tax yield. The calculation is based on tax receipts for the most recent tax year filings. The Fiscal 2007 grant is based on Calendar 2004 tax returns.

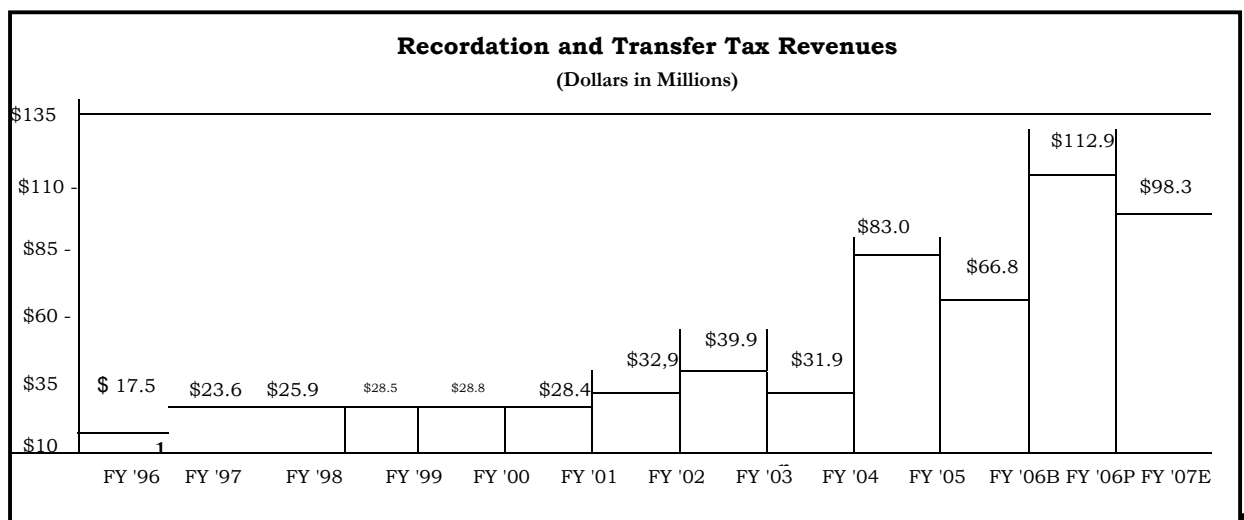


In the past, the City has supported State legislation to update and improve the benefits of this important program for all poorer counties. State legislation should be enacted to provide a minimum grant so that poor subdivisions do not experience the random reduction of State Aid due to irrational events such as a stock market bubble or corrections to real estate markets.

Changes in aid for Library and Health grants comprise the major elements of the balance of the increased in State Aid. The grant for Library Services is budgeted to increase from \$5.4 million to \$6.1 million. This is due to State law changes increasing the per capita element of the formula to \$13.00 per capita. The grant for Local Health Operations is budgeted to increase from \$11.8 million to \$12.1 million.

RECORDATION AND TRANSFER TAX – The City's revenue from recordation and transfer taxes is expected to total \$98.3 million for Fiscal 2007, an increase of \$31.5 million or 47.2% compared to the Fiscal 2006 budget estimate. The City has benefited from the increased nationwide interest in investing in real estate that occurred after the March 2000 stock market collapse. Real estate became the favored investment. This was supported by interest rates that reached the lowest levels in the last four decades. Support given the market by historically low interest rates was fueled by new financing forms including exotic financing arrangements such as those involving payment of interest only.

The City has historically been a low cost option for home shoppers in the metropolitan area. The recent real estate boom has made the City an even more attractive low cost option for purchasers, particularly from the Washington area where price escalation has been among the highest in the nation. In addition the City, and in particular its waterfront properties, have become desirable low cost alternatives for purchasers from areas well outside the region – Philadelphia, New York and other areas. This is due to the nationwide recognition of the development opportunities and improved investment climate in the City.



However, expert opinion, popular media reports and market data indicate that the real estate market has reached its peak. Responsible forecasters are not predicting a collapse in the real estate market like the March 2000 dot-com driven stock market collapse. Instead forecasters are calling for a slowdown and reduction in receipts. Some jurisdictions are anticipating reductions in the 15.0% to 20.0% range, others less than 10.0%. The local data (MRIS) shows a market turning point in the early fall of Calendar 2005.

First, beginning in October in the region the number of units sold began to decline compared to the same month in the prior year. In the City units sold compared to the prior year began to decline in November. Units sold in February 2006 declined 20.5% compared to February 2005. Second, the inventory of listings in both the City and region, comparing February 2006 and February 2005, has doubled. The selling price as a percent of the asking price peaked in the region in May 2005 and in the City in June of 2005.

Offsetting these negatives in part are two factors. First, price appreciation, while moderating has not yet turned negative as is the case with the other indicators. The data points to a decline in the price appreciation in the region beginning in October 2005. In the City a slowdown in price appreciation is evident only anecdotally, but not yet in the market statistics. This reflects a second positive factor for the City. The City's historic role as the low cost alternative may shore up the market prices.

Finally, expert opinion as represented at the high end of the real estate industry indicates that many "smart money" managers moved away from the real estate investment table in the summer of 2005. In the middle of the industry, home builder profits and forecasts have turned negative. At the other end of the industry spectrum, the bottom end of the real estate industry financing, construction and sales ladder, the number of individuals participating in the local industry real estate sales person training programs has declined substantially.

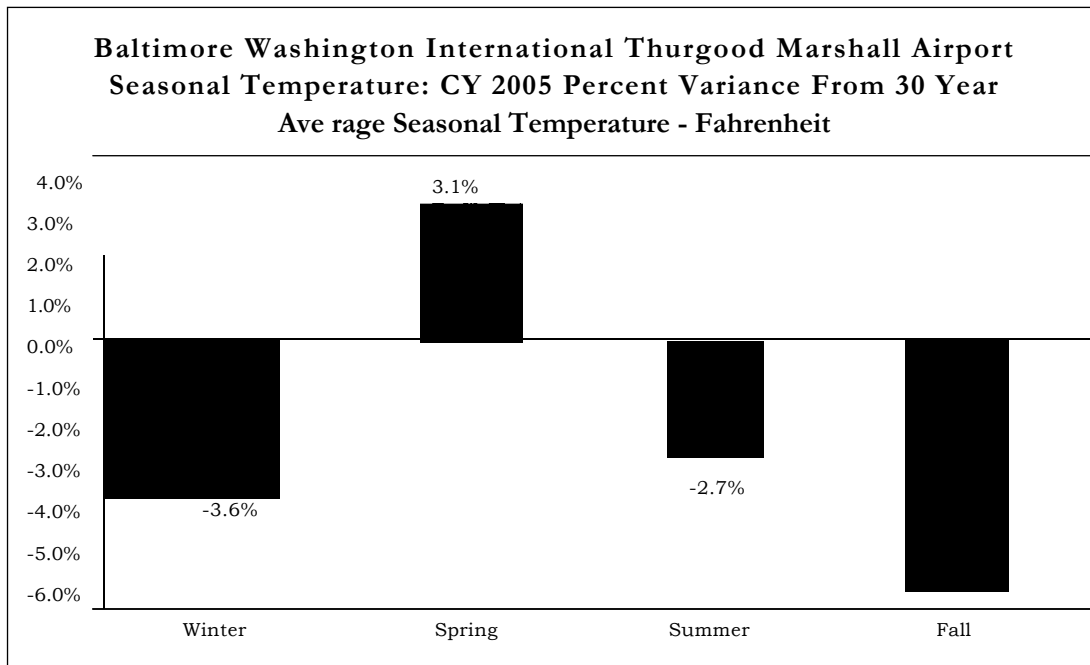
ENERGY TAXES (natural gas, electricity, steam, fuel oil and LPG)

For Fiscal 2007 the energy tax on natural gas, electricity, steam, fuel oil and liquid petroleum gas (LPG) are anticipated to decrease \$2.0 million or 6.3% from \$31.7 million to \$29.7 million. The decrease is primarily due to the manufacturing sector leaving the tax base as prescribed by Baltimore City Code Article 28, Section 25. The loss of manufacturing revenue is partially offset by annual Washington Baltimore Consumer Price Index (CPI) energy rate adjustment. The energy tax rates are annually adjusted by the November to November change in CPI as reported by the United State Department of Labor. The CPI adjustment for Fiscal 2007 is 3.7%. Energy tax receipts have more than doubled as a result of action taken to broaden the tax base. Receipts now comprise about 2.5% of the General Fund revenue. This represents an important positive step in the City's efforts to diversify its tax base.

Baltimore City energy consumers are protected from increases in tax liability due to the electric utility providers energy rate increases. The energy price cap will be removed from electricity as a result of deregulating Maryland's energy market. Residential electric energy prices are estimated to increase 72.0%. Fortunately the structure of the City's energy tax protects energy users from the ravages of price increases. The foresight of the Mayor and City Council has insulated City users against spiking energy tax bills through a unit based energy tax structure. This means the tax is based on the number of units of energy consumed not on the price of electricity or natural gas. Baltimore residents are in control of their energy tax bills to the extent they can manage how much energy they consume. Energy prices do not and will not affect energy tax payments. Changes in tax yield are due to changes in consumption patterns and changes in the Washington-Baltimore Consumer Price Index (CPI). The annual change in the CPI is used under the law to adjust the tax rate. This protects energy consumers from the highly volatile gyrations in costs in the energy markets that would result if the City had a traditional sales type tax, rather than the unit based, CPI capped tax structure.

Developing an energy tax revenue estimate requires examination of at least the following factors: consumption trends in the different energy user groups, analysis of prior years to determine appropriate projection base, analysis of relationship between consumption and weather patterns and analysis of CPI trends. Each user group shows evidence of a unique trend. The strongest growth in units of energy consumed has been in the non-profit sector and the weakest sector has been manufacturing.

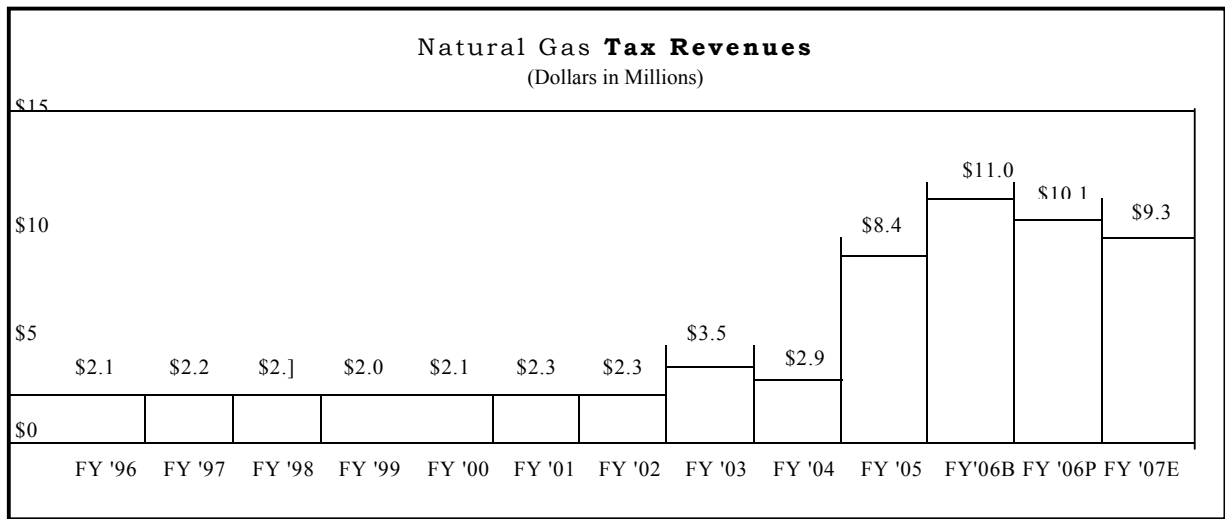
Estimating energy tax revenues ends up similar to forecasting the weather looking forward 18 to 24 months. The graph below illustrates the seasonal temperature variability at the Baltimore Washington International Thurgood Marshall Airport (BWI). Year to year fluctuation in average temperature will have a significant affect on the energy revenue estimates.



The annual CPI energy rate adjustment is the second variable in the energy tax revenue estimate. However, because of the year-to-year variability in weather related energy consumption, and how each user group is affected, the CPI change alone can never explain all of the variance in revenues between years.

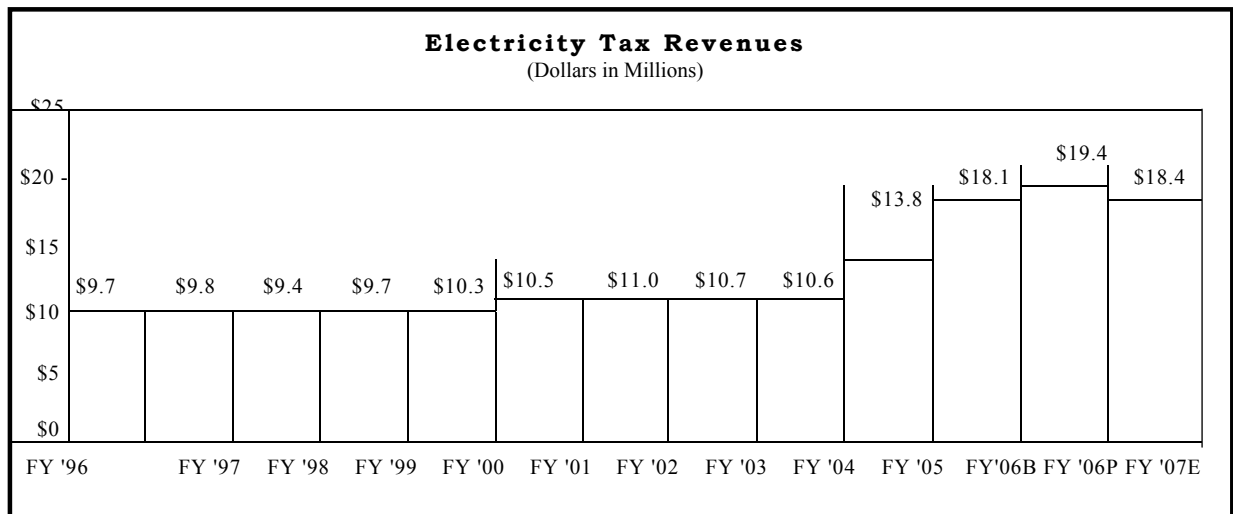
The final major variable in energy tax revenue estimate is the long-term consumption trend. Each user group exhibits a unique long-term trend. Manufacturing natural gas consumption, for example, from calendar year 2001 through calendar year 2005 declined about 1.9% annually. On the other hand, over the period from calendar year 1999 through calendar year 2005 commercial electricity consumption increased about 2.1% annually.

Natural Gas



Fiscal 2007 natural gas revenue is estimated to decline \$1.7 million or 15.5% below Fiscal 2006 budget. Fiscal 2007 revenue, estimated to be \$9.3 million decreases due primarily to the loss of the manufacturing user group. The Washington-Baltimore Consumer Price Index (CPI) adjustment of 3.7% will not offset the loss of the manufacturing user group. For Fiscal 2006, natural gas receipts are anticipated to under perform the budget expectation substantially yielding a projected \$10.1 million compared to a budget estimate of \$11.0 million, a shortfall of \$900,000.

Electricity



Fiscal 2007 electricity revenue is estimated at \$18.4 million or \$358,000 above Fiscal 2006 budget. Manufacturing is a substantially smaller portion of the electricity tax base with the elimination of the manufacturing user group. The loss of manufacturing is offset in part by the CPI rate increase and long term consumption growth trends in commercial, residential and nonprofit user groups. For Fiscal 2006, electricity receipts are anticipated to out perform the budget expectation yielding a projected \$19.4 million compared to a budget estimate of \$18.1 million.

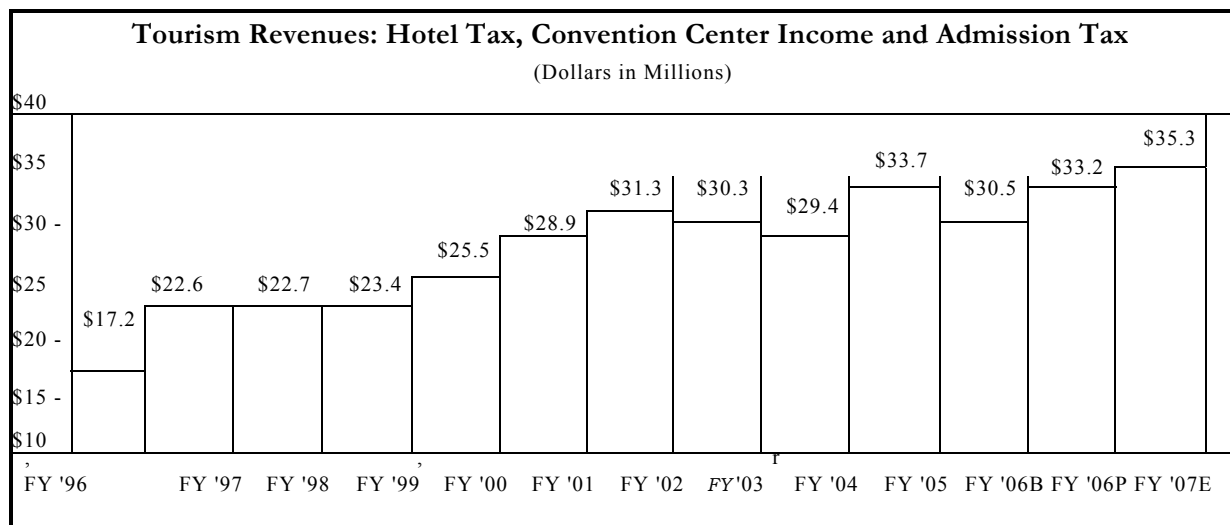
Steam, Fuel Oil and Liquid Petroleum Gas (LPG)

Steam revenue in Fiscal 2007 is estimated to be \$247,000 or 22.3% below Fiscal 2006 budget of \$1.1 million. The Fiscal 2007 estimate is \$853,000. The reason for the decrease is three fold. One is the loss of manufacturing user group though this is a small share of steam revenue. The second is weather. The third is an over estimation of usage associated with the base broadening that took place in Fiscal 2006.

The remaining energy tax revenues come from the levies on fuel oil and LPG. Unlike natural gas, electricity and steam, fuel oil and LPG are sold by many competing suppliers with no single supplier dominating the market. For Fiscal 2007 both fuel oil and LPG revenue is estimated to have essentially flat revenues of \$1.0 million and \$75,000, respectively.

TRAVEL, TOURISM AND VISITOR REVENUES

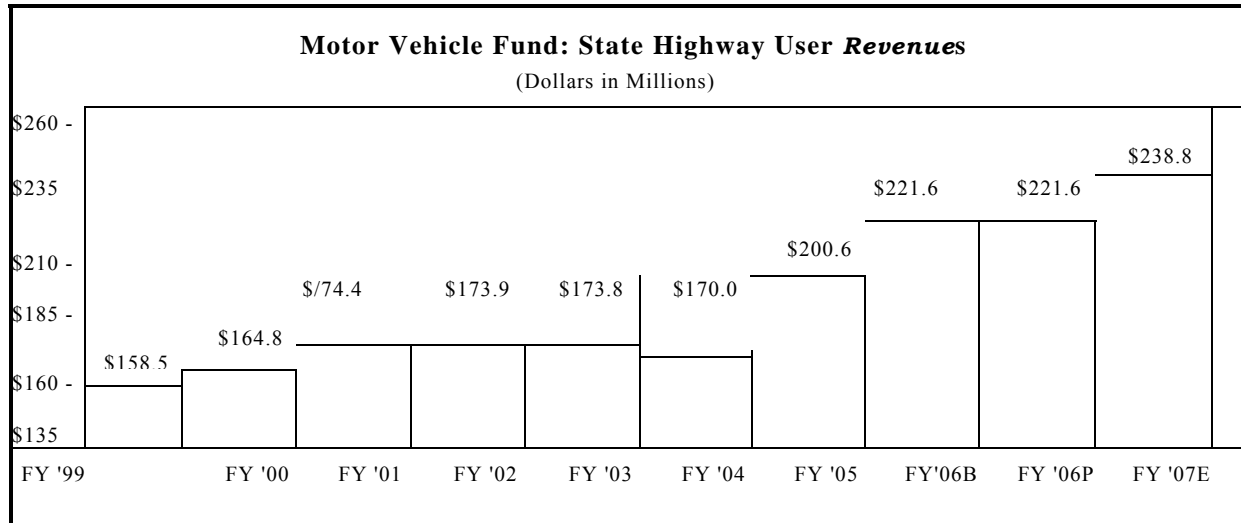
For Fiscal 2007, Convention Center rentals, admissions and amusement tax and hotel tax revenues collectively are anticipated to increase \$4.8 million or 15.7% from Fiscal 2006 budget. The Convention Center activity is expected to generate an increase of \$1.7 million or 17.9% from the budgeted Fiscal 2006 level of \$9.5 million to a budget estimate of \$11.2 million in Fiscal 2007. This increase is anticipated due primarily to the expected growth in revenue related to the sale of food and beverages. Revenue from this source is a major portion of the Center's income stream.



The number of new entertainment options and an expanding set of night life venues are contributing to growth in the City's amusement and admission tax. Total revenue from theatrical and musical activities has grown 17.7% in the last two years, and currently represents 13.8% of the total admission tax receipts. Facilities such as the Hippodrome, at the center of the Westside redevelopment activity, to smaller venues offering a rich variety of music, theater and comedy are important part of the substantial anticipated increase of \$1.3 million in revenue from the Fiscal 2006 budget of \$7.5 million to \$8.8 million in Fiscal 2007. However, positive impacts from these activities have been partially offset by two factors. First, loss in revenue results from the Maryland court's decision providing tax exemption to a large number of venues with live entertainment, known as "Clyde's case." Second, the unfavorable trend in major league baseball attendance due to the advent of a competing Washington-based team reduces receipts.

Hotel taxes are budgeted in Fiscal 2007 to yield \$20.0 million, an increase of \$1.8 million compared to the Fiscal 2006 budget of \$18.2 million. The Fiscal 2007 budget represents a growth of about 9.9%. It is anticipated that most of this increase will come from room rate changes and a lesser proportion from changes in occupancy. The occupancy rate is not expected to increase materially from the current average of 68.0%. Fiscal 2007 receipts are positively affected by expansion of the tax base with addition of new rooms to the inventory on a full year basis.

MOTOR VEHICLE FUND



The table above highlights the major source of revenue in the Motor Vehicle Fund - State Highway User Revenue. Anticipated State Highway User Revenues in Fiscal 2007 under current law are estimated by the State Department of Transportation to be about \$238.8 million. This amount compares to budgeted Fiscal 2006 receipts of \$221.6. The increase of \$17.2 million represents the City's formula share under State law. For the last three years this formula has been altered in order to reduce monies going to Maryland's counties. These funds have been retained by the State to manage its fiscal problems. Total Motor Vehicle Fund financing sources are expected to increase from \$235.4 million in Fiscal 2006 to \$253.5 million in Fiscal 2007 based on current State law. This \$18.1 million, or 7.7% increase is comprised almost entirely of the net effects of the State Aid funding formula governing the distribution of State-shared motor vehicle revenues (gasoline tax, vehicle registration fees, titling taxes and other sources).

FISCAL 2007

SUMMARY OF THE ADOPTED BUDGET Selected Real Property Tax Expenditures and Required Report to the Board of Estimates and Mayor and City Council

Background

Tax expenditures are revenue losses or allocations of public resources, that provide based on tax laws including exemptions, deductions, credits, deferrals, payment in lieu of taxes (PILOTS) or differential tax rates. Tax expenditures are an alternative to other government policy instruments, such as direct operating expenditures for subsidies and grants or rules and regulations directed at inducing desired outcomes. Both the federal and Maryland State government are required by law to estimate and report on tax expenditures. Because they are in effect substitutes for direct operating expenditures for public subsidies it is important to document their cost along with other budgeted costs.

City policymakers frequently use the property tax, the City's main source of revenue, as a policy tool to stimulate economic and housing development. Tax expenditures grant special tax treatment as an incentive intended to encourage targeted development activity.

Reporting total foregone revenue, the gross expenditure associated with this policy tool and each of the tax credits is necessary to provide a complete picture of a jurisdiction's budget. The following specific evaluation report is provided to meet the requirements of the Newly Constructed Dwelling Tax Credit program. The table at the end of this section provides a summary description and budget figures for all the City's tax credit programs.

Newly Constructed Dwelling Tax Credit Report

The Newly Constructed Dwelling Tax Credit law requires the Director of Finance to report to the Board of Estimates and to the Mayor and City Council the public costs and benefits of the tax credit. This program has substantially grown and is currently the City's third largest local option real property tax credit expense. The following table summarizes the number of credits and gross costs on an annual and cumulative basis.

Fiscal Year	<u>No. of Credits Granted</u>		<u>Amount of Credit Granted</u>	
	Annual	Cumulative	Annual	Cumulative
1996	30	30	\$20,925	\$20,925
1997	199	229	\$133,333	\$154,258
1998	15	244	\$229,663	\$383,921
1999	149	393	\$309,237	\$693,158
2000	141	534	\$330,747	\$1,023,905
2001	130	664	\$418,921	\$1,442,826
2002	211	875	\$481,490	\$1,924,316
2003	128	1,003	\$704,261	\$2,628,577
2004	165	1,168	\$1,038,136	\$3,666,713
2005	240	1,408	\$1,471,194	\$5,137,907
2006 (March)	303	1,711	\$1,784,074	\$6,921,981

Since the program's adoption administrative costs have been absorbed within existing City operations. Promotion expenses incurred in the first year of about \$75,000 have been replaced by the annual operation of certain programs run by City or City related agencies. The Office of Homeownership in the Department of Housing and Community Development in its realtor seminars and other programs promote the program. In addition, information about tax credit programs is available on the City and the Live Baltimore web sites. Credit recipients indicate that realtors and developers continue to be the major source of information about the credit with 45.7% and 29.6%, respectively.

In 2005, the newly constructed tax credit's sunset was extended for two years until June 30, 2007. In the sunset review of the program questions about this tax expenditure program were raised based on issues related to the need, the cost and benefits and the distribution of the tax credits granted. About 91.0% of the current program participants are found in just 15 neighborhoods. These neighborhoods are generally of two types. They are either high priced often waterfront oriented communities or are highly subsidized targeted low income areas, generally the sites of public housing redevelopment efforts. Questions raised at the sunset legislation hearing asked whether the credit was necessary in strong real estate markets in water front and certain other neighborhoods or whether it was appropriate in certain projects in which the City is already a lead player in making subsidized housing available. In order to address the question of how this program might more effectively be targeted at neighborhoods in need of public subsidy to support development the Council requested that the Finance Department in conjunction with the Department of Housing and Community Development prepare an evaluation of public benefits of the program.

The Finance Department has published credit recipient survey results since Fiscal 2000. In preparing this report the Finance Department reviewed an additional 303 applications processed for tax year 2006 through March, 2006. Of the 303 applicants, 287 applicants completed the required questionnaire made part of the application. Additional required information includes sales closing work sheets and building permits. The findings from the most current survey are summarized below.

Has the Program Spurred New Development?

Based on the standard building permit reporting process established with the Baltimore Metropolitan Council the number of new single family residential building permits increased by 199 from 439 to 638 or an increase of 45.3% comparing calendar 2005 and 2004. Calendar 2005 is the second year in a row since the evaluation effort began that the level of building permit activity has exceeded the average annual permit rate of the 1980s. Permit activity has increased for four consecutive years. Annual permits during the 1980s and the years 1990 through 1994 averaged 307 and 169, respectively. The credit program was enacted in 1995. Since then annual permits have averaged 227. That is a 34.3% increase over the 1990-1994 activity level before the enactment of the credit. However, compared to the 1980s, average building permit activity is down 26.1%. Much of the recent housing construction has been associated first with waterfront development and second with redevelopment of low income housing project areas. In the context of the current local and nationwide housing marked activity the tax credit is not deemed

driving factor. The data summarized here indicate that factors other than the credit are an important in the direction of development activity.

C Y	Avg. '80s	Avg. '90s	<u>00</u>	01	02	03	04	05	Average
# of Permits	307	146	174	136	266	229	439	638	227

Source: Baltimore Metropolitan Council

Has the Program Encouraged Home Purchases?

The questionnaire indicates that the credit may not play a decisive role in the home purchase decision.

- 60.3% of the respondents were not aware of the credit prior to their home purchase. This is an increase over the prior year. For this group the program was not an incentive.
- 37.6% of home buyers had knowledge of credit prior to the purchase of a home. This is a decrease from the prior year.
- 79.6%, a decrease from the prior year, of those with prior knowledge were influenced by the credit.
- 38.9% of those with prior knowledge reduced their yearly housing costs by over \$1,200.
- 40.7% did not know or did not state the amount the credit reduces their yearly housing costs. This is a lower percentage than in the prior year.
- 76.0% of the respondents confined their home search to the City. This is the same proportion as in the prior year. Of this group 71.1% lived in the City prior to the purchase on the home. This was an increase in current City residents using the program.
- The other 24.0% of the respondents shopped in the City and neighboring jurisdictions. This proportion was unchanged from the prior year.

Has the Program Helped to Attract or Retain Middle-Income Residents?

- Using the following classification of household incomes the distribution of credit recipients is as follows: less than \$30,000 or low income, 19.9% of credit recipients; between \$30,000 and \$80,000 or middle income, 35.7% of the recipients; and, over \$80,000 annual income, 44.4% of the recipients.
- Those with income over \$100,000 comprised 25.3% of this year's program beneficiaries. Taxpayers at this level of income are considered high income and subject to additional audit efforts by the Internal Revenue Service.
- The majority of credit recipients, 67.3%, are first time home buyers. Within this group 12.4% had household incomes greater than \$100,000. This is a smaller proportion of high income households compared to the prior year survey.
- Credit recipients who are first time home buyers with household income under \$30,000 is 28.0%; between \$30,000 and less then \$80,000, 48.7%; and greater than \$80,000, 19.2%. This last group has a smaller proportion than in the prior year.

Estimate of Net Cost of Newly Constructed Tax Expenditure Program

The cost of the program is clear. The City has foregone \$6.9 million in property tax revenue since its inception. The questionnaire, which must be completed by those who use the credit, attempts to identify information to gauge the benefit. The program appears to have a net cost to the City in terms of foregone revenues, or tax expenditures for the following reasons among others. A very large majority of credit recipients, 76.0% confined their search to the City. About 71.1% of the group that limited their home search to the City already lived in the City. Of the entire group of credit recipients 65.5% were already City residents. Second, a material majority of 60.3% did not know about the credit prior to the purchase of their home. Nearly 68.6% of the survey respondents did not know or state the dollar value of the credit (63.1% did not know the value and 5.5% left the question blank).

Anticipation of a tax benefit resulting in a conscious decision to purchase a home based on a tax benefit and the ability to state in dollar terms that benefit are sine qua non for this program to be deemed a successful incentive program. The program users consistently fail to meet this test.

For the program to have a net benefit to the City, the income tax of non-residents moving to the City, or City residents who otherwise would have left all but for the existence of credit, would have to exceed the cost of the credit program. Assuming that the credit was the deciding factor for one third of the current 958 program recipients, or 319 homeowners, the net taxable income of that group would have to be over \$200,000. The median household income of credit recipients, less than \$100,000 was substantially less than. Based on the data it appears that this tax credit, which was created to attract new residents to purchase new homes in the City, has fallen short of its intention. Foregone property tax revenues are estimated to exceed the value of taxes associated with any net new residents that may have made the decision to move to the City and purchase a home because of the credit program.

F I S C A L 2 0 0 7
SUMMARY OF CITY REAL PROPERTY TAX CREDIT PROGRAMS

The table below describes tax expenditure costs for all locally authorized real property tax credit programs. It does not attempt to deal with all tax exemptions or other preferential tax treatment expenditures. In Fiscal 2007, the City budget estimates real property tax credit expenditures totaling about \$52.0 million. This represents *an* increase of about \$16.8 million compared to the Fiscal 2006 projected expenses of \$35.2 million.

	FY 2006 <u>Projection</u>	FY 2007 <u>Budget</u>
<u>Homestead Tax (104% Assessment Phase-In)</u>		
A 4% taxable assessment increase cap on owner-occupied dwellings.	\$25,777,000	\$39,042,000
<u>Enterprise Zone Property Tax Credit</u>	4,000,000	5,900,000
A 10-year tax credit (80% in the first 5 taxable years and declining by 10 percentage points thereafter) in designated State Enterprise Zones on the increased value of a commercial property after improvements.		
<u>Historic Restoration and Rehabilitation Property Tax Credit A</u>		
10-year tax credit (100% for projects with costs below \$3.5 million; and 80% in the first 5 taxable years and declining by 10 percentage points thereafter for projects with costs above \$3.5 million) on the increased value of a historic property due to improvements.	3,000,000	3,800,000
	2,000,000	2,600,000
<u>Newly Constructed Dwelling Property Tax Credit</u>		
A five-year tax credit (50% in the first taxable year and declining by 10 percentage points thereafter) on newly constructed or city owned, vacant rehabbed dwellings.	350,000	450,000
<u>Brownfields Property Tax Credit</u>		
A five-year tax credit (50%, except for projects that spend more than \$250,000 in eligible work, in which case it's 70%) on the increased value of brownfields sites after eligible improvements are made. For sites located in a State-designated Enterprise Zone areas, the credit is for a 10-year period.	60,000	80,000
<u>Home Improvement Property Tax Credit</u>		
A five-year tax credit (100% in the first tax year and declining by 20 percentage points thereafter) on the increased value of a dwelling due to improvements.	46,000	76,000
<u>Other Local Option Property Tax Credits</u>		
Includes costs of the neighborhood preservation and stabilization conservation, vacant dwelling, fallen heroes, and cemetery dwelling property tax credit programs.		
	\$35,233,000	\$51,948,000

F I S C A L 2 0 0 7

PROPERTY TAX BASE AND ESTIMATED PROPERTY TAX YIELD

ESTIMATED ASSESSABLE BASE

	<u>Fiscal 2006</u>	<u>Fiscal 2007</u>	<u>Change</u>
REAL PROPERTY			
Subject to \$2,288 Tax Rate			
Real Property Assessed Locally	\$20,780,350,000	\$23,078,640,000	\$2,298,290,000
Appeals, Abatements and Deletion Reductions	(70,000,000)	(72,100,000)	(2,100,000)
Adjustment for Assessment Increases over 4%	(1,139,705,000)	(1,741,230,000)	(601,525,000)
New Construction	155,000,000	258,000,000	103,000,000
Rail Road Property	90,725,000	89,100,000	(1,625,000)
Total Real Property Subject to \$2.288 tax rate	\$19,816,370,000	\$21,612,410,000	\$1,796,040,000
Subject to \$5.72 Tax Rate			
Public Utility Property	\$139,428,000	\$145,500,000	\$6,072,000
Total Public Utility Real Property Subject to \$5.72 tax rate	\$139,428,000	\$145,500,000	\$6,072,000
Total Real Property	\$19,955,798,000	\$21,757,910,000	\$1,802,112,000
TANGIBLE PERSONAL PROPERTY			
Subject to \$5.72 Tax Rate			
Individual and Firms	\$28,296,000	\$24,155,000	(\$4,141,000)
Ordinary Business Corporations	\$847,706,000	\$808,120,000	(\$39,586,000)
Public Utilities	\$889,438,000	\$940,130,000	\$50,692,000
Total Tangible Personal Property	\$1,765,440,000	\$1,772,405,000	\$6,965,000
Total Real and Personal Property	\$21,721,238,000	\$23,530,315,000	\$1,809,077,000

ESTIMATED PROPERTY TAX YIELD

		<u>Fiscal 2007</u>
Property Subject to \$2.288 Tax Rate		
Real Property - Gross Tax Yield from \$0.01 per \$100 of Assessable Base	\$0.01/\$100	\$2,161,241
Anticipated Rate of Collection		98.0%
Net Tax Yield from \$0.01 per \$100 of Assessable Base		\$2,118,016
Estimated Total Tax Yield Property Tax Subject to 2.288 tax rate		\$484,602,102
Property Subject to \$5.72 Tax Rate (by law 2.5 times Real Property Tax Rate)		
Real Property (Public Utilities) - Gross Tax Yield from \$0.01 per \$100 of Assessable Base	50.01/5100	\$14,550
Tangible Personal Property - Gross Tax Yield from \$0.01 per \$100 of Assessable Base	\$0.01/\$100	\$177,241
Total Gross Tax Yield from \$0.01 per \$100 of Assessable Base		\$191,791
Anticipated Rate of Collection		98.0%
Net Tax Yield from \$0.01 per \$100 of Assessable Base		\$187,955
Estimated Total Tax Yield Property Tax Subject to \$5.72 tax rate		\$107,510,083
Total Estimated Property Tax Yield - Real and Personal Property		\$592,112,185

Fiscal 2007

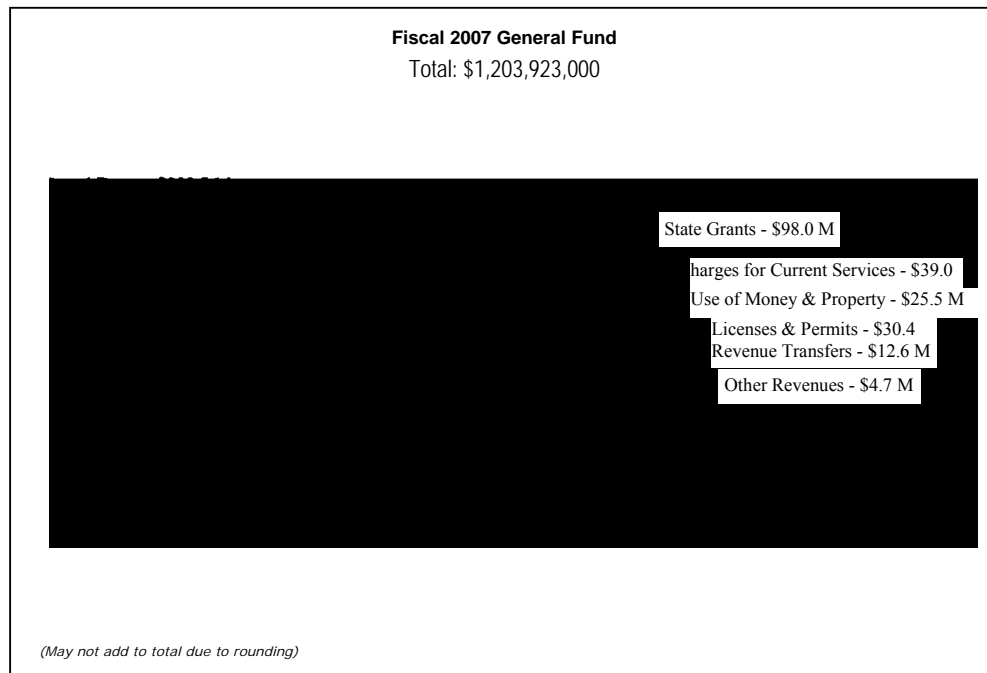
Summary of the Adopted Budget

Revenue Detail

FISCAL 2007

SUMMARY OF THE ADOPTED BUDGET Budgetary Funds - Descriptions and Policies

General Fund



Policy and Objectives

The General Fund, the City's principal fund, contains revenues which finance appropriations for both ongoing operating expenses and Pay-As-You-Go (PAYGO) capital projects. The budget for this fund includes all unrestricted revenues that support appropriations not required to be budgeted in another fund. Appropriations approved in the Ordinance of Estimates or in supplemental appropriations may be for any program or activity not prohibited by the City Charter, public local law or other applicable law. Five major types of revenue and revenue transfers from other funds comprise 98.6% of the \$1,203.9 million Fiscal 2007 budget. The five types of revenue are Local Taxes, State Grants, Charges for Current Services, Revenue from the Use of Money and Property and Licenses and Permits. Revenue transfers represent revenue in excess of expense requirements in certain other funds that are available to the General Fund. For descriptions of revenues that support these fund transfers see the Parking Management, Parking Enterprise, Loan and Guarantee and Convention Center Bond.

Major Revenues

Local Taxes compose 82.5% of total General Fund revenues and funding sources. The largest share of local taxes, 60.1%, comes from current and prior year real and personal property tax receipts. Income taxes, with Fiscal 2007 estimated receipts of \$214.8 million, represent 21.6% of local tax revenues. Sales and service tax levies are imposed on energy consumption, certain telephone services, property transfers, hotel occupancy, recordation and admissions and amusements. Sales and services taxes are an estimated \$123.1 million or 12.4% of Local Taxes.

Total: \$1,203,923,000

[illegible]

The two largest State grants are the Income Tax Disparity Grant with \$76.0 million and a grant for the operation of local health programs with \$12.1 million. The former is based upon a statutory formula created in 1992 by the Maryland General Assembly. The grant is made in order to bring the per capita income tax yield of Maryland's poorer subdivisions up to 75.0% of the Statewide yield. There is also a \$6.1 million State Grant for Library Services and about \$87,000 for police protection aid. In Fiscal 1998, the State began to provide the City five dollars of every motor vehicle security interest filing fee filed with the State, which is estimated at \$3.1 million. The State also supports a portion of War Memorial expenses, approximately \$176,000.

Total: \$1,203,923,000

Charges — Current Services (3.2%)		
Highway and Sanitation &		
Waste Water	\$	16.5 M
Charges for Central		
Utility Services	\$	10.3 M
Transfer	\$	12.2 M
Total		\$ 39.0 M
Use of Money & Properties (2.1%)		
Total Income	\$	15.2 M
Earnings on Investments	\$	6.3 M
Loan Repayment	\$	4.0 M
Total		\$ 25.5 M

Income from the Use of Money and Property is dominated by Convention Center rentals, which account for 43.9% or \$11.2 million of the category total. Another major revenue source representing 24.7% or \$6.3 million of this groups' income comes from earnings on investments, the returns on the daily cash balances in the City Treasury.

In the Charges for Current Services group, revenues derived from sanitation and solid waste disposal, charges for central services, impounded vehicle storage fees, Sheriff District Court service fees, lien report fees, port fire protection reimbursement, stadium security service charges and fees for semi-annual property tax payment, account for 85.9% of the category total. The remaining revenues are generated from fees and charges for health, recreation, zoning and a wide variety of other services rendered by the City.

Three major groups comprise Licenses and Permits. The Public Safety and Regulation group, composed of building, housing, animal control and certain trades' permits, accounts for the majority of the revenue in this category, \$22.5 million. Significant revenue in this group, \$4.9 million, is derived from the 5.0% cable television franchise fee. The City's power to raise revenues from this source is constrained by federal and State law. Certain license fees, including alcoholic beverage, marriage and some business licenses are set by State law.

Motor Vehicle Fund

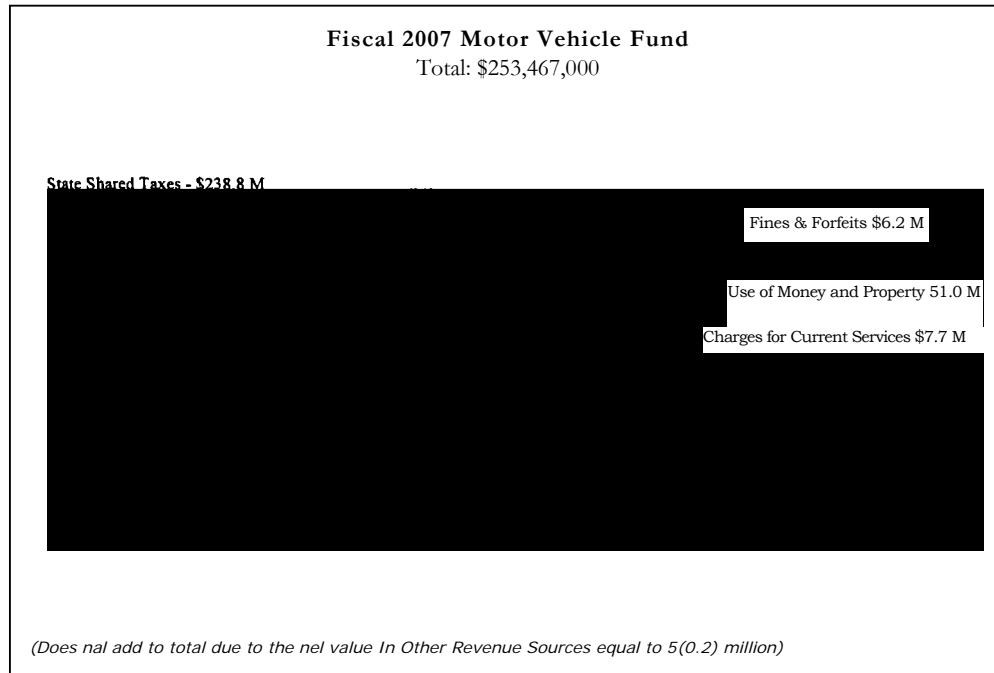
Policy and Objectives

The Motor Vehicle Fund was established to account for revenues which finance appropriations for operating and capital programs and projects for transportation related activities. State highway user revenues are the primary revenue sources which include motor vehicle fuel, titling and corporate income taxes and registration fees. State law provides a formula for sharing portions of these revenues with all Maryland municipalities and counties. It also sets forth specific expenditure limitations on the use of these revenues as follows: highway/street construction, reconstruction or maintenance; police traffic functions and traffic law enforcement; highway lighting, storm water drainage and street cleaning excluding collection of garbage, trash and refuse; debt service for construction, reconstruction or maintenance of highways/streets and lighting and storm water drainage; transportation facilities such as airport, highway, port, rail and transit facilities; and footpaths, bridle paths or horse trails and bicycle trails subject to certain limiting conditions. Through Fiscal 2010, the Maryland General Assembly has authorized the City to use Motor Vehicle Funds to offset the costs of Baltimore City Public Schools student transportation with the Mass Transit Administration.

Major Revenues

The major revenue in the Motor Vehicle Fund, \$238.8 million, comes from State shared highway user revenues, which compose 94.2% of the total resources supporting the Fiscal 2007 budget plan. The State deposits the highway user revenues in the Gasoline and Motor Vehicle Revenue Account (GMVRA) for distribution to the local governments and the State's Transportation Trust Fund. The GMVRA revenue is derived from several sources. A portion of the State imposed 7.0% corporate income tax is deposited in the fund. The State shares the proceeds from its biennial vehicle registration fees with local governments. It also imposes the following taxes on

fuels: 23.5 cents per gallon for gasoline and clean burning fuels; 24.25 cents per gallon for all other special fuels (e.g., diesel); and, 7 cents per gallon on aviation fuel. Fuel tax revenues attributable to the rate that exceeds 18.5 cents per gallon are shared with the local governments. The State shares the Motor Vehicle Excise (titling) tax imposed at the rate of 5.0%. Finally, a portion of the sales and use tax collected on short-term vehicle rentals is distributed to this fund.



The City's share of the highway user revenues is calculated as the greater of 11.5% of total highway user revenues or \$157.5 million. The law also includes a provision for the City to share in a portion of the growth in total highway user revenues.

Federal, State and Other Special Grant Funds

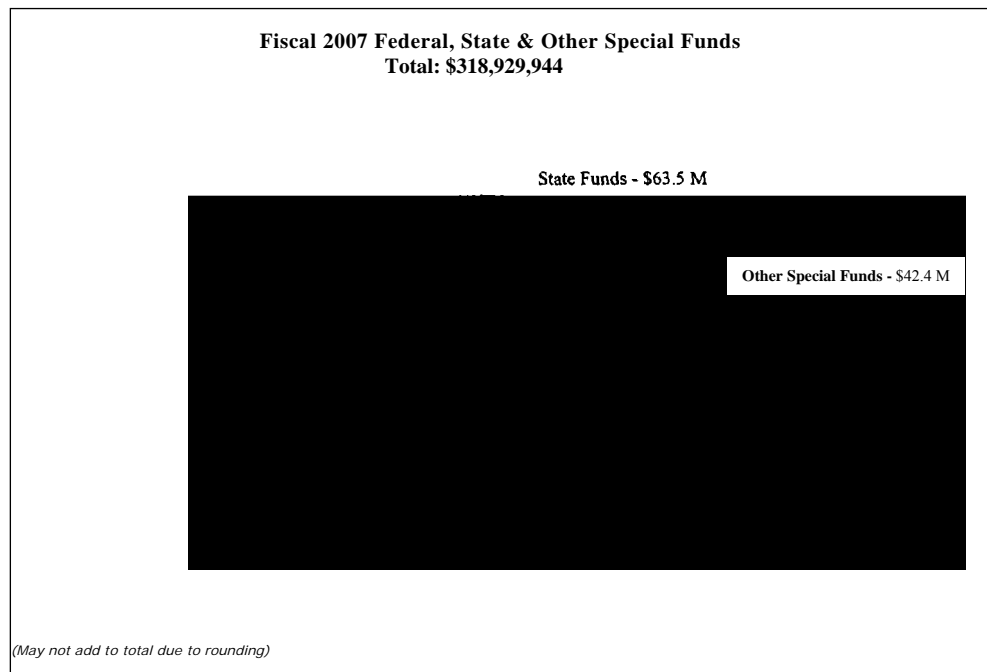
Policy and Objectives

These dedicated grant funds were established to appropriate operating revenues received from federal, State and private sources. The funds are restricted by law, contract or regulation to expenditures for specific purposes. Revenues from federal, State and special purpose grants are recognized for accounting purposes at the time the specific designated expenditures are made. Budget appropriations for dedicated grant funds represent spending authority allowance for grants anticipated to be received during the budget year.

Major Revenues

Three functional categories health, social services and public safety, account for \$169.8 million or 79.7% of the Fiscal 2007 Federal Fund appropriations of \$213.0 million. Health promotion and disease prevention, aging, maternal and child health, and child and adult care account for 90.8% of the appropriations dedicated to health. Homeless services and Head Start funding account for 93.7% of the appropriations dedicated to social services. Finally, 87.6% of the public safety appropriation is earmarked for the police field operation bureau, fire suppression, and the office of criminal justice.

Five functional categories, social services, health, public safety, adjudication and education, account for \$55.0 million or 86.6% of the Fiscal 2007 appropriations supported by dedicated State Aid grants totaling \$63.5 million. Major appropriations in these categories are for the police field operations bureau, State Library Resource Center, general nursing services and circuit court adjudication. The remaining 13.4% of the total dedicated State grants funds supports appropriations in the functional categories of economic development, recreation, general government and transportation. Major appropriations in these categories include grants for the State share of the convention center operating subsidy, senior services and supplementary recreational services.



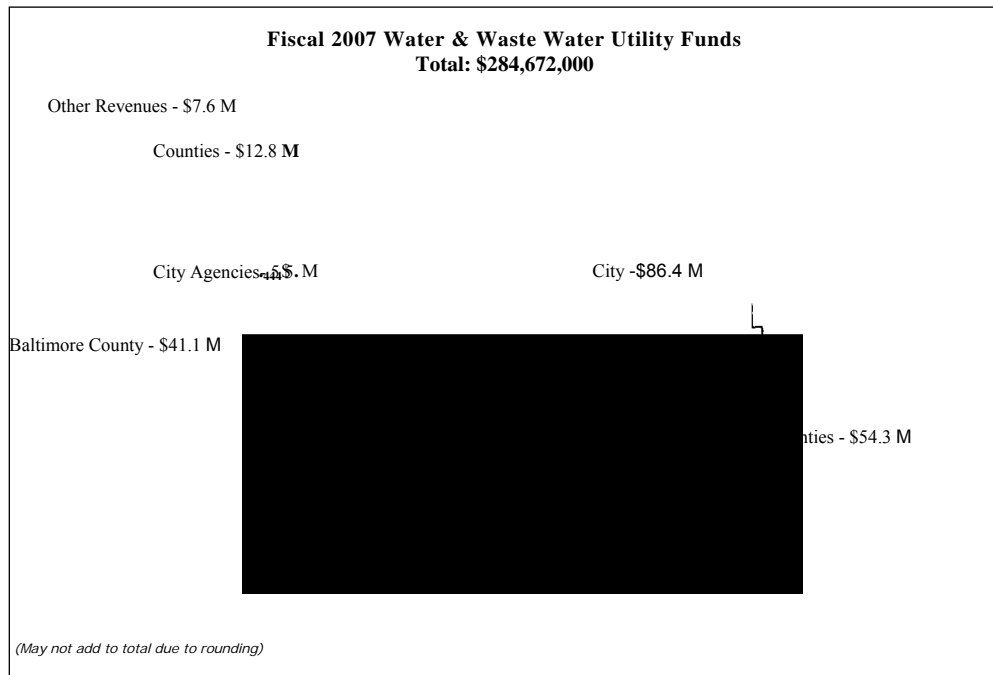
Fiscal 2007 Special Fund appropriations of \$42.4 million are divided into three functional categories public safety, health and general government and account for 92.2% or \$39.1 million of the total budget.

Water and Waste Water Utility Funds

Policy and Objectives

A Charter Amendment approved in 1978 established the Water and Waste Water Utility Funds as two separate enterprises. The utility funds must be financially self sustaining, as well as operated without profit or loss to other City funds. The establishment of these two funds enables the City to issue revenue bonds to finance related capital improvements. Ordinance 941., passed in December 1978, requires the Board of Estimates, upon recommendation of the Director of Finance and the Director of Public Works, to establish rates and charges sufficient to make the two utility funds self-supporting. Nearly all the funding sources for the utility operations come from the sale of services. Rates vary depending on volume, level of treatment and distribution costs. In the case of industrial users, rates vary according to the types of contaminants discharged into the waste water system.

Major Revenues



Water Utility - The City supplies treated water to its residents, as well as to residents of Baltimore, Anne Arundel, Harford and Howard counties. Untreated water is sold at wholesale rates to Carroll and Harford counties. The rate schedules are established pursuant to Board of Estimates' actions and, in the case of Baltimore County, are subject to provisions of State law and City/County agreements regarding cost allocation. The law and agreement with Baltimore County obligate the City to supply water at cost. The City and County allocate operating and maintenance costs on all jointly used facilities. Baltimore City customers, including City agencies, provide about 49.7% of total user charges of \$122.2 million Fiscal 2007 appropriation. Baltimore County customers provide 33.6% and the remaining balance comes from Anne Arundel, Carroll, Harford and Howard counties, late penalties and other minor service charges. Total Fiscal 2007 fund appropriation is \$122.2 million.

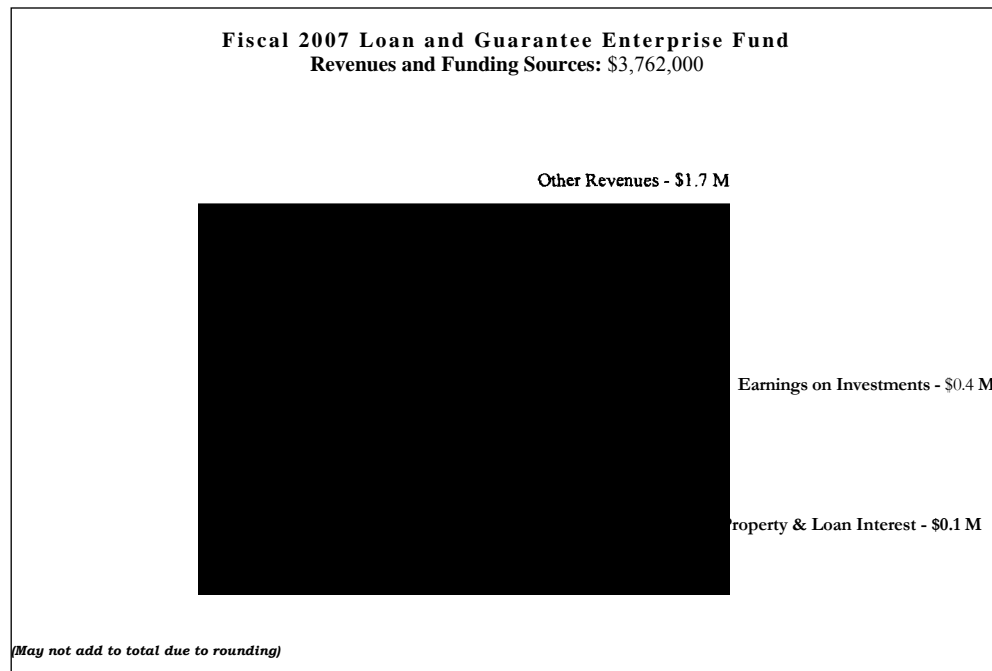
Waste Water Utility- Baltimore and Anne Arundel counties, pursuant to agreements with the City, pay into the Waste Water Utility Fund a proportional amount based on the sewage treated at the Back River and Patapsco treatment plants. These counties also pay a portion of the capital expenses of jointly used wastewater facilities. City customers, including City agencies, provide approximately 61.8% or \$100.4 million, while Baltimore and Anne Arundel counties and other service charges comprise the balance. Fiscal 2007 revenues and funding sources are estimated to be \$162.5 million.

Loan and Guarantee Enterprise Fund

Policy and Objectives

The Loan and Guarantee Enterprise Fund was established in the Fiscal 1989 budget for the purpose of planning and budgeting for the income and expenses associated with the operations of the Loan and Guarantee Servicing Division of the Department of Finance. In Fiscal 1992, the Division was made part of the Bureau of Accounting and Payroll Services. The Loan and Guarantee Servicing Division was established by resolution of the Board of Estimates, dated June 4, 1986, requiring that it administer outstanding loans and guarantees, temporary parking lots and certain facilities that were under the control of the former Trustees for Loans and Guarantees prior to June, 1986. In Fiscal 1992, responsibility for the administration of temporary parking facilities was transferred from the Division to a new Parking Management Unit which is now part of the Department of Transportation. Parking revenues resulting from facility operations were transferred to the Parking Management Fund. Loan and Guarantee Fund revenues in excess of those needed for operating expenses and reserve requirements are transferred to the General Fund under the terms of the resolution of the Board of Estimates. Conversely, operating shortfalls of the fund must be made up by the General Fund.

Major Revenues



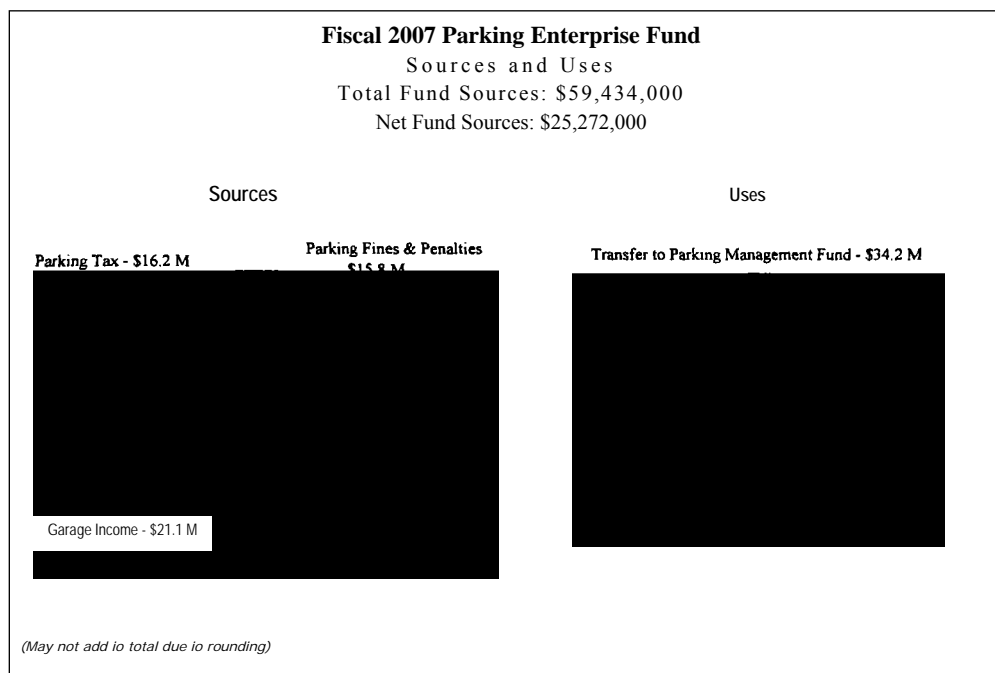
Total Fiscal 2007 revenues are an estimated to be \$3.8 million. Revenues from the use of money and property are approximately \$516,000 of which an estimated at \$391,000 is from interest earnings. Additional revenue sources include \$1.7 million from fund balance and \$1.5 million in revenue transfer from the General Fund.

Parking Enterprise Fund

Policy and Objectives

The Parking Enterprise Fund was established in 1983 to budget for parking related revenues and debt service expenses resulting from parking revenue bonds, notes and other revenue obligations. The City issues debt to finance acquisition or construction of parking facilities. Revenue from garage operations and installment purchase payments received from developers are deposited in the fund and are designated to support the debt service obligation of the fund. Parking taxes, open-air garage licenses, parking fines, penalties on parking fines and parking meter revenues also are deposited in this fund. These revenues provide a guaranteed flow of income and an additional security for the payment of debt service. Providing that debt service obligations and other security requirements of the fund are met, the City is permitted to transfer monies from the Parking Enterprise Fund. Revenues in excess of debt service and operating expense requirements are transferred to the Parking Management Fund.

Major Revenues



Parking taxes, parking fines and penalties and garage income, which include facility installment sales receipts, generate approximately 89.2% of the Parking Enterprise Fund revenues. Fiscal 2007 Fund revenues are estimated to total \$59.4 million. After the transfer of \$34.2 million to the Parking Management Fund, net revenues to support operating and debt service requirements are estimated to be \$25.3 million.

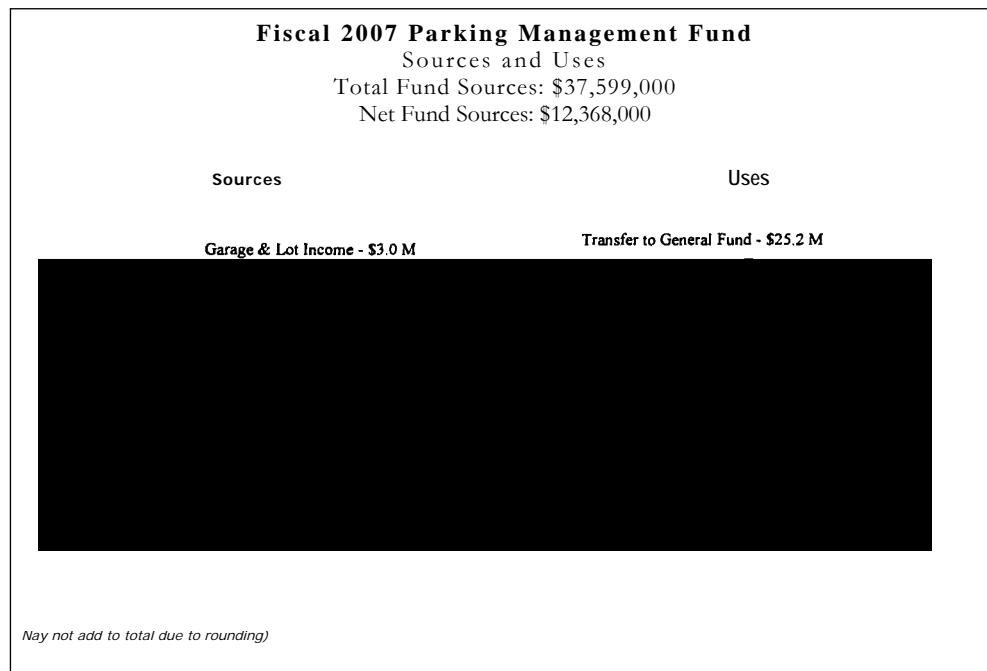
Parking Management Fund

Policy and Objectives

The Parking Management Fund was established in Fiscal 1992 to budget for parking activities exclusive of those expenses funded by the Parking Enterprise Fund. Taken together, the

activities of the two funds provide a more complete accounting for the City's entire parking operations. The Parking Management Fund supports appropriations for on-street activities including the parking meter system, parking enforcement and special parking programs and off-street parking activities including parking lots and garages financed by general obligation bonds or other General Fund sources. The primary purpose of the fund is to achieve clear management accountability and improve performance of all parking activities in order to increase revenues and improve public services in the most cost-effective manner. The Parking Management Fund is a budgetary fund. The results of fiscal operations of the fund are combined with the General Fund in the City's Comprehensive Annual Financial Report.

Major Revenues



Revenues earned by fund operations total \$3.4 million. Income from City-owned parking lots and garages, \$3.0 million, makes up the bulk of these revenues. Transfers from the Parking Enterprise Fund, \$34.1 million, are required to supplement fund revenues to support expenditure requirements of \$12.4 million. After expenses are met, available revenues and funding from the Parking Enterprise Fund transfer, \$25.2 million in Fiscal 2007 are transferred to the General Fund.

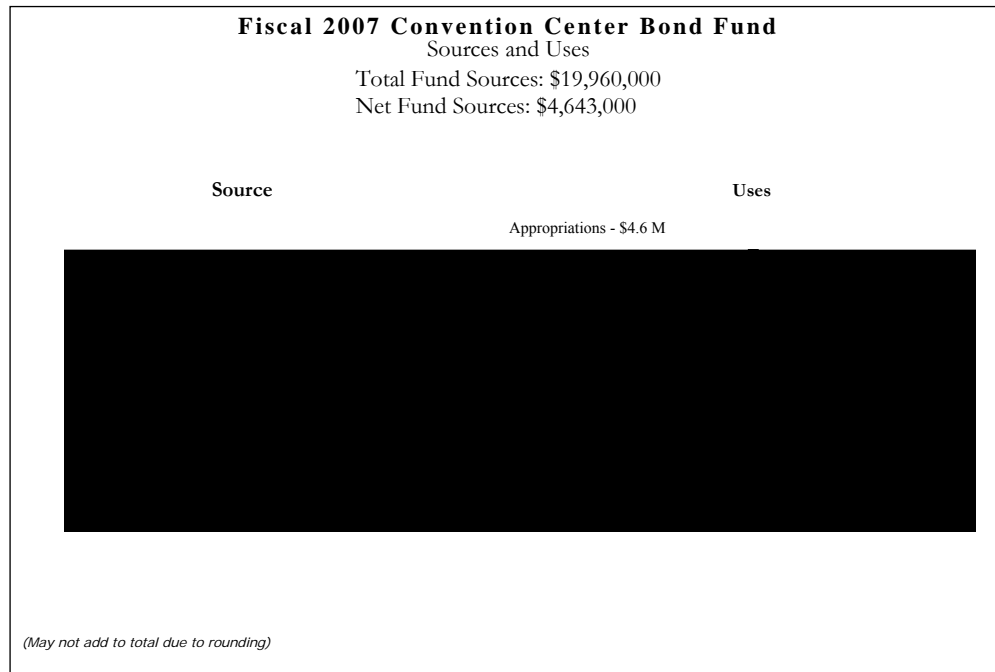
Convention Center Bond Fund

Policy and Objectives

The Convention Center Bond Fund was established in Fiscal 1995 to budget for hotel tax revenue to be dedicated to support the payment of principal and interest associated with City indebtedness incurred to finance one-third of the \$150.0 million cost of the joint City-State expansion of the Baltimore Convention Center. The Convention Center facility has been a success from the day of its opening. The Convention Center's addition opened in September 1996. The fully expanded and renovated Convention Center facility reopened in April 1997.

The Convention Center Bond Fund is a budgetary fund. The results of fiscal operations of the fund are combined with the General Fund in the City's Annual Financial Report.

Major Revenues



The sole revenue source for the fund is the 7.5% sales and service tax levied on transient room rentals at hotels, motels and bed and breakfast facilities located in the City. Fiscal 2007 tax receipts are estimated to be about \$20.0 million. Total debt service expenses for the fund are appropriated at \$4.6 million. Hotel tax receipts in excess of the debt service expense appropriated in the fund or about \$15.3 million will be transferred to the General Fund. As a result of legislation enacted by the 1997 Maryland General Assembly, the City must appropriate 40.0% of its estimated total hotel tax receipts to support the operations of the Baltimore Area Convention and Visitors Association. The legislative requirement for promotion funding is mandated through Fiscal 2007.

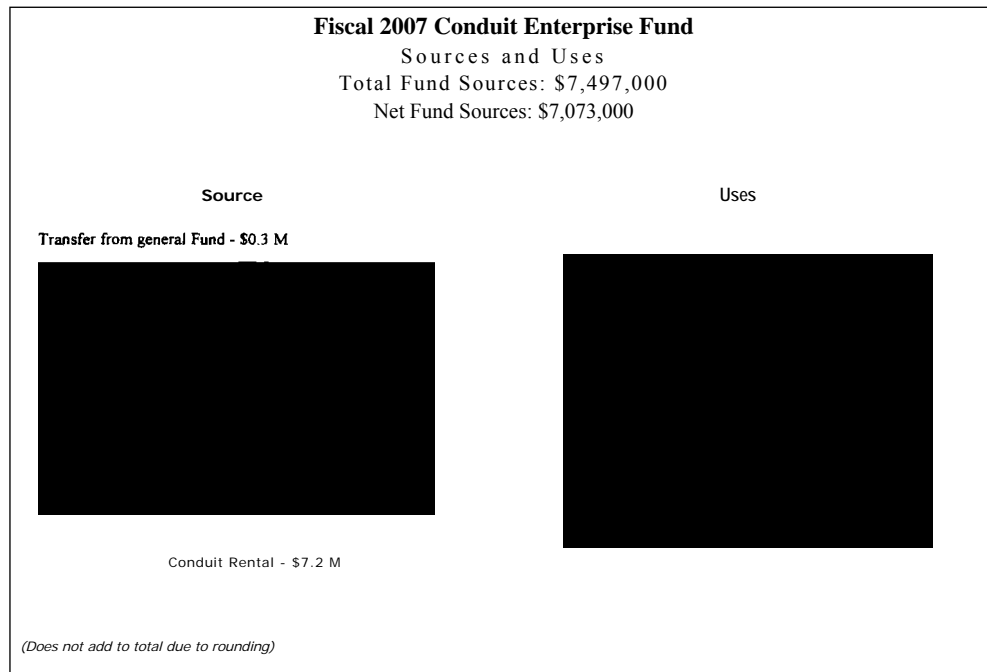
Conduit Enterprise Fund

Policy and Objectives

The Conduit Enterprise Fund was established in Fiscal 2002. The fund accounts for revenue charged non-City entities and City agencies renting space in the City-owned and operated underground conduit system. The conduit system is a unique public resource that provides access to substantial portions of the public right of way without the necessity of opening and closing streets, and disrupting traffic that is common in many urban areas. The fund will appropriately highlight the costs of operations and funding reserve requirements in order to achieve clear management accountability and improve performance of conduit-related operations in the most cost-effective manner.

Major Revenues

The sole revenue source for the fund is the rental charge levied on City agency and other non-City users of the conduit system. The Fiscal 2007 receipts are estimated at \$7.5 million. The fund is charged \$424,000 for central City services. Total expenses for the fund are appropriated at \$7.1 million. Rental receipts in excess of the current operating expenses are reserved for maintenance, capital and other requirements of the conduit system. The revenue potential from the conduit resource is enhanced as a result of Ordinance 00-116, which grants authority to establish both City and non-City charges for use of the public right of way that reflect the value of the right of way.



Capital Fund

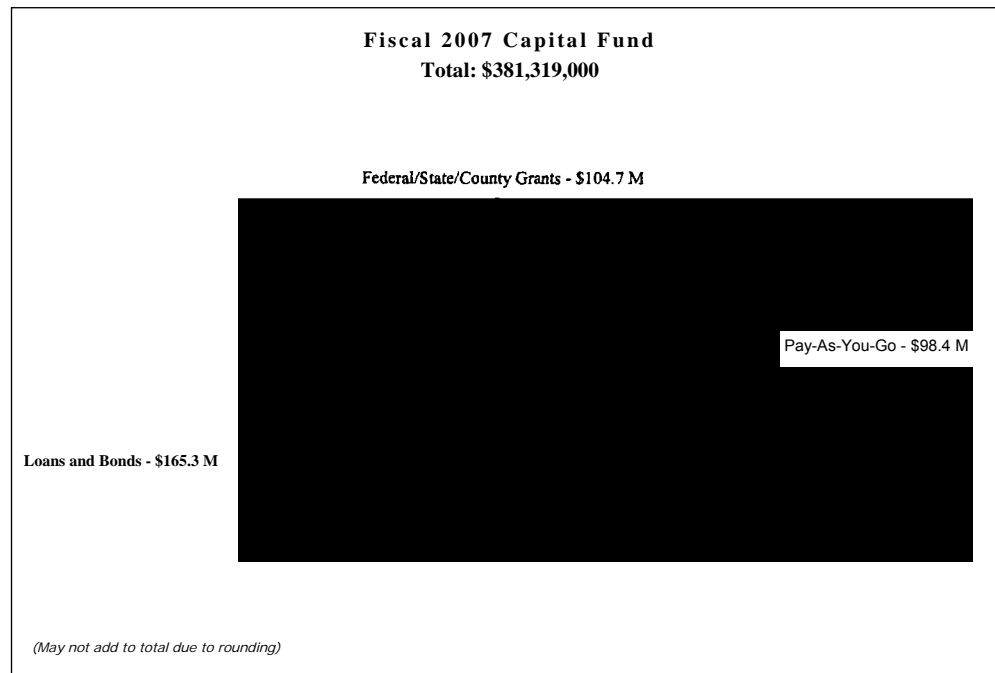
Policy and Objectives

Governmental accounting standards and the City Charter require operating revenues and expenses to be clearly distinguished from revenues and expense associated with capital projects, e.g., the design, development, construction and extraordinary repair and rehabilitation of physical plant and facilities. The Board of Estimates has defined capital projects as physical improvements that cost more than \$50,000; equipment and items of repair and maintenance that cost more than \$100,000; Bureau of Water and Waste Water items of repair, maintenance or emergency nature costing more than \$250,000; and the salaries other than those that are properly capitalized as part of the project cost. Each capital project appropriation reflects all revenue sources used to finance the particular project. Major revenues are received from various sources, all of which comprise this fund.

Major Revenues

Three types of funding sources (pay-as-you-go, grants and loans and bonds) total \$368.4 million and comprise or 96.6% of the Fiscal 2007 capital appropriations of \$381.3 million. The

magnitude of the various funding sources changes significantly from year-to-year because the project priorities and types of projects authorized drive the funding sources. For instance, in Fiscal 2007, County grants are anticipated to fall \$19.6 million to \$28.6 million from \$48.2 million or a decline of 40.7%. Other forms of capital appropriation such as the Pay-As-You-Go General Fund appropriation are estimated to increase from \$3.5 million to \$14.0 million or 304.6% over Fiscal 2006 capital appropriations. The completions of significant projects, termination of a grant or shifting project priorities are the major reason for change.



In order of magnitude, the largest funding sources in the Fiscal 2007 budget are: \$165.3 million or 43.4% in loans and bonds (\$105.3 million in revenue bonds and \$60.0 million in general obligation bonds); \$104.7 million or 27.5% in grants from other governments (\$54.0 million in federal grants, \$22.1 million in State grants and \$28.6 million in county grants for water and waste water projects); and, \$98.4 million or 24.6% in Pay-As-You-Go funding from current operating revenues (\$73.4 million in Motor Vehicle Fund, \$14.0 million in General Fund and \$11.0 million in Water and Waste Water Utility funds). The balance of appropriations is supported by various private reimbursements, the sale of City property, loan repayments and other minor sources.

Internal Service Fund

Policy and Objectives

This fund finances goods and/or services provided by certain City agencies to other City agencies on a cost reimbursement basis. In Fiscal 2007, approximately \$77.7 million is recommended for vehicle fleet repair and maintenance, print shop, post office, telephone, telecommunication, risk management and unemployment and worker's compensation services. These funds are to operate on a fully self-supporting basis, including the financing of reserves for capital equipment replacement.

GENERAL FUND

REVENUE ESTIMATES: FUND DETAIL FOR OPERATING AND CAPITAL

Revenue Accounts		Fiscal 2005 Actual	Fiscal 2006 Budget	Fiscal 2006 Projection	Fiscal 2007 Estimate	Budget Change
LOCAL TAXES						
Real and Personal Property - Current Year						
001	Real Property	449,977,508	481,876,000	483,400,000	531,800,000	49,924,000
004	Personal Property - Ordinary Business Corps	45,111,255	47,934,000	45,500,000	45,300,000	(2,634,000)
007	Personal Property - Individuals & Firms	1,530,061	1,600,000	1,454,000	1,354,000	(246,000)
008	Personal Property - Public Utilities	54,364,913	50,294,000	51,800,000	52,700,000	2,406,000
027	Phase in Tax Credit	(17,391,716)	(25,777,000)	(25,777,000)	(39,042,000)	(13,265,000)
		533,592,021	555,927,000	556,377,000	592,112,000	36,185,000
Real and Personal Property - Prior Years						
010	Real Property	4,091,587	7,000,000	5,250,000	3,500,000	(3,500,000)
011	Personal Property	203,278	3,700,000	500,000	1,255,000	(2,445,000)
		4,294,865	10,700,000	5,750,000	4,755,000	(5,945,000)
Real and Personal Property - Other Revenue						
021	Penalties and Interest	6,353,292	6,706,000	6,575,000	6,575,000	(131,000)
022	Discounts	(2,722,762)	(2,950,000)	(2,792,000)	(2,600,000)	350,000
023	Circuit Breaker - Elderly Persons	(77)	(1,000)	0	0	1,000
024	Tax Sale Expense	7,510,248	500,000	3,875,000	3,875,000	3,375,000
025	Newly Constructed Dwellings Tax Credit	(1,471,194)	(2,190,000)	(2,000,000)	(2,600,000)	(410,000)
026	Tax Credit for Conservation Property	0	(1,000)	(1,000)	(1,000)	0
028	Other Property Tax Credits	(131,853)	(700,000)	(450,000)	(600,000)	100,000
029	Enterprise Zone Tax Credit	(2,324,187)	(3,900,000)	(4,000,000)	(5,900,000)	(2,000,000)
030	Cemetery Dwellings Tax Credit	(1,553)	(5,000)	(5,000)	(5,000)	0
032	Historic Property Tax Credits	(2,006,543)	(3,150,000)	(3,000,000)	(3,800,000)	(650,000)
038	Tax Increment Financing Districts	0	140,000	140,000	2,899,000	2,759,000
		5,205,371	(5,551,000)	(1,658,000)	(2,157,000)	3,394,000
Sales and Service						
045	Gas	8,436,004	10,985,000	10,100,000	9,347,000	(1,638,000)
046	Electricity	13,764,768	18,060,000	19,400,000	18,418,000	358,000
047	Fuel Oil	1,027,179	1,000,000	1,150,000	1,027,000	27,000
049	Steam	569,846	1,100,000	1,000,000	853,000	(247,000)
050	Telephone	25,403,091	26,150,000	26,500,000	26,500,000	350,000
051	Homeless Relief Assistance Tax	390,452	357,000	430,000	438,000	81,000
052	Hotel (transferred from Con ^y Ctr Bond Redemption Fund)	13,951,176	13,500,000	14,680,000	15,317,000	1,817,000
053	Property Transfer	46,423,968	35,700,000	59,500,000	51,756,000	16,056,000
054	Liquid Petroleum Gas	101,103	80,000	80,000	75,000	(5,000)
055	Refund Reserve - Gas	(115,834)	(168,000)	(168,000)	(168,000)	0
056	Refund Reserve - Electricity	(13,559)	(350,000)	(350,000)	(350,000)	0
057	Refund Reserve - Fuel Oil	(325)	(97,000)	(97,000)	(97,000)	0
		109,937,869	106,317,000	132,225,000	123,116,000	16,799,000
Payments in Lieu of Taxes						
060	Housing Authority	402,046	400,000	0	0	(400,000)
062	Urban Renewal	35,727	66,000	43,000	77,000	11,000
063	Off-Street Parking Properties	856,028	500,000	727,000	179,000	(321,000)
064	Maryland Port and Stadium Authorities	968,915	969,000	983,000	970,000	1,000
065	Apartments	3,304,411	3,200,000	3,400,000	3,440,000	240,000
067	Economic Development	272,843	257,000	500,000	600,000	343,000
		5,839,970	5,392,000	5,653,000	5,266,000	(126,000)

GENERAL FUND

REVENUE ESTIMATES: FUND DETAIL FOR OPERATING AND CAPITAL

1

Revenue Accounts	Fiscal 2005 Actual	Fiscal 2006 Budget	Fiscal 2006 Projection	Fiscal 2007 Estimate	Budget Change
Other Local Taxes					
075 Tax Sale Fees and Other	518,928	435,000	484,000	479,000	44,000
Income Tax					
081 Income Tax - State Collected	188,222,096	182,300,000	195,750,000	203,580,000	21,280,000
083 Unallocated Withholding - Regular	5,663,849	3,400,000	5,700,000	5,800,000	2,400,000
084 Income Tax - Fiduciary Returns	5,749,292	5,900,000	6,413,000	5,400,000	(500,000)
	199,635,237		191,600,000	214,780,000	23,180,000
Locally Imposed - State Collected					
085 Admissions	8,485,184	7,500,000	8,500,000	8,840,000	1,340,000
086 Recordation	36,581,644	31,088,000	53,400,000	46,550,000	15,462,000
	45,066,828	38,588,000	61,900,000	55,390,000	16,802,000
TOTAL: LOCAL TAXES	904,091,089	903,408,000	968,594,000	993,741,000	90,333,000
LICENSES AND PERMITS					
General Government					
120 City/State Business	1,518,342	1,800,000	1,700,000	1,700,000	(100,000)
122 Alcoholic Beverage	1,678,477	1,600,000	1,650,000	1,650,000	50,000
123 Marriage	24,920	29,000	24,000	24,000	(5,000)
	3,221,739	3,429,000	3,374,000	3,374,000	(55,000)
Public Safety and Regulation					
127 Cable TV Franchise Fee	4,476,834	4,596,000	4,701,000	4,936,000	340,000
128 Fire Prevention - Fire Code	1,125,274	800,000	1,129,000	1,100,000	300,000
129 Rental Property Registrations	1,453,970	1,100,000	1,500,000	1,600,000	500,000
130 Multiple Family Dwelling Permits	2,486,140	2,500,000	2,500,000	2,500,000	0
131 Miscellaneous Building Inspection Revenue	1,060,032	572,000	1,378,000	1,400,000	828,000
132 Building Construction Permits	4,464,598	3,847,000	15,000,000	5,200,000	1,353,000
133 Electrical Installation Permits	990,430	900,000	1,023,000	1,023,000	123,000
134 Mechanical Equipment Permits	1,004,796	944,000	1,075,000	1,097,000	153,000
135 Plumbing Permits	504,779	408,000	555,000	572,000	164,000
136 Elevator Permits	4,035	2,000	5,000	5,000	3,000
137 Filing Fees - Building Permits	835,997	738,000	1,000,000	1,030,000	292,000
138 Alarm System Registration Permits	677,590	750,000	747,000	825,000	75,000
139 Public Assembly Permits	5,018	6,000	5,000	5,000	(1,000)
140 Professional and Occupational Licenses	184,505	190,000	215,000	185,000	(5,000)
143 Amusement Device Licenses	846,289	916,000	850,000	670,000	(246,000)
145 Dog Licenses and Kennel Permits	118,159	120,000	120,000	120,000	0
146 Special Police Appointment Fees	11,329	8,000	19,000	19,000	11,000
149 Vacant Lot Registration Fees	17,199	140,000	42,000	42,000	(98,000)
150 Trades Licenses	128,160	130,000	130,000	125,000	(5,000)
	20,395,134	18,667,000	21,994,000	22,454,000	3,787,000
Health					
151 Food Dealer Permits	1,953,483	1,950,000	1,950,000	2,000,000	50,000
152 Swimming Pool Licenses	33,850	41,000	41,000	15,000	(26,000)
154 Solid Waste Collection Permits	142,767	150,000	150,000	150,000	0
	2,130,100	2,141,000	2,141,000	2,165,000	24,000

GENERAL FUND

REVENUE ESTIMATES: FUND DETAIL FOR OPERATING AND CAPITAL

Revenue Accounts	Fiscal 2005 Actual	Fiscal 2006 Budget	Fiscal 2006 Projection	Fiscal 2007 Estimate	Budget Change
Highways					
163 Minor Privilege Permits	1,787,759	1,800,000	1,800,000	1,800,000	0
164 Public Utility Pole Permits	484,300	431,000	431,000	483,000	52,000
166 Telephone Conduit Franchise	122,680	117,000	121,000	120,000	3,000
	2,394,739	2,348,000	2,352,000	2,403,000	, 55,000
TOTAL: LICENSES AND PERMITS	28,141,712	26,585,000	29,861,000	30,396,000	3,811,000
FINES AND FORFEITS					
177 Court-Ordered Restitution and Misc Fines	1,429	2,000	1,000	1,000	(1,000)
178 Civil Citations	35,552	30,000	40,00	42,000	12,000
179 Sheriff Revenue	462,092	360,000	550,00	475,000	115,000
180 Forfeitures Drug/Gambling Contraband	2,508,808	1,500,000	1,960,000	1,700,000	200,000
181 Minimum Wage Violations	7,500	20,000	20,000	20,000	0
185 Bad Check Charge	61,657	65,000	65,000	55,000	(10,000)
186 District Court Housing Fines	56,535	50,000	50,00	50,000	0
187 Liquor Board Fines	115,856	60,000	250,000	160,000	100,000
188 Library Fines	325,339	208,000	225,000	225,000	17,000
TOTAL: FINES AND FORFEITS	3,574,768	2,295,000	3,161,00	2,728,000	433,000
USE OF MONEY					
200 Earnings on Investments	3,971,484	3,130,000	5,693,000	6,325,000	3,195,000
202 Interest Differential Off-Street Parking	5,979	5,000	5,000	4,000	(1,000)
205 Interest on REAL Loans	7,32	8,000	25,000	6,000	(2,000)
206 Interest on Property Sale Proceeds	50,572	36,000	45,000	48,000	12,000
207 Interest on Gambling/Drug Confiscated Cash	61,377	70,000	66,000	180,000	110,000
208 Interest on Commercial Rehab Loans	16,650	14,000	2,000	2,000	(12,000)
212 Principal on REAL Home Rehab	42,650	35,000	100,000	30,000	(5,000)
213 Principal on Commercial Rehab	86,625	18,000	18,000	15,000	(3,000)
215 Interest - Baltimore Home Finance	9,040	9,000	9,000	6,000	(3,000)
216 Principal - Baltimore Home Finance	58,025	35,000	40,000	30,000	(5,000)
217 Principal - Private Activity Bond Loans	4,995	4,000	4,000	4,000	0
218 Interest - Private Activity Bond Loans	4,389	3,000	3,000	3,000	0
227 Principal - CDFC Loan	775,649	727,000	727,000	747,000	20,000
228 Interest - CDFC Loan	430,064	449,000	420,000	400,000	(49,000)
229 Interest - Energy Conservation	204,812	173,000	173,000	170,000	(3,000)
230 Principal - Energy Conservation	54,471	48,000	48,000	51,000	3,000
232 Principal - SELP Loans	724,006	620,000	620,000	536,000	(84,000)
233 Interest - SELP Loans	(10,735)	(20,000)	(20,000)	(20,000)	0
238 Interest - 4th Industrial Commercial Loan	21,532	14,000	14,000	12,000	(2,000)
239 Principal - 4th Industrial Commercial Loan	57,711	49,000	49,000	51,000	2,000
250 Principal - MILA/MICRF	231,322	225,000	225,000	263,000	38,000
251 Interest - MILA/MICRF	37,941	32,000	32,000	4,000	(28,000)
252 Principal - Off-Street Parking Loans	448,434	401,000	401,000	405,000	4,000
253 Interest - Off-Street Parking Loans	269,021	223,000	223,000	210,000	(13,000)
255 Principal - Economic Development Loan Program	405,034	477,000	400,000	471,000	(6,000)
256 Interest - Economic Development Loan Program	184,311	189,000	180,000	158,000	(31,000)
257 Principal - PAYGO Eco. Dev. Loans	54,969	61,000	55,00	62,000	1,000
258 Interest - PAYGO Eco. Dev. Loans	5,868	5,000	5,000	4,000	(1,000)
259 Interest - Community Development Fund Loans	56,755	100,000	20,000	49,000	(51,000)

GENERAL FUND

REVENUE ESTIMATES: FUND DETAIL FOR OPERATING AND CAPITAL

Revenue Accounts		Fiscal 2005 Actual	Fiscal 2006 Budget	Fiscal 2006 Projection	Fiscal 2007 Estimate	Budget Change
260	Principal - Community Development Fund Loans	29,258	40,000	40,000	57,000	17,000
265	CPA Reimbursement - Zoo Animal Hospital	8,250	389,000	8,000	9,000	(380,000)
TOTAL: USE OF MONEY		8,307,784	7,569,000	9,630,000	10,292,000	2,723,000
USE OF PROPERTY						
201	Rental of City Property	799,455	1,060,000	805,000	810,000	(250,000)
210	Rental from <i>Inner</i> Harbor Shoreline	254,001	360,000	285,000	285,000	(75,000)
211	Rental from C. L. <i>Benton, Jr.</i> Office Building	1,600,016	1,545,000	1,421,000	1,521,000	(24,000)
214	SW Resource Recovery Facility - Lease	647,355	699,000	699,000	755,000	56,000
225	Rental from Recreation and Parks	4,461	5,000	1,000	0	(5,000)
226	Rental from Harborplace Pavilions	84,973	95,000	95,000	95,000	0
240	Harbor Shoreline - Docking Fees	59,514	60,000	60,000	60,000	0
241	Rental from Community Centers	252,280	250,000	250,000	250,000	0
243	Rentals from Wharfage - Piers and Docks	68,877	70,000	76,000	76,000	6,000
246	1st Mariner Arena Naming Rights	150,000	75,000	75,000	75,000	0
247	Convention Center	11,199,876	9,500,000	10,000,000	11,159,000	1,659,000
267	Rental - Federal Day Care Center	31,135	86,000	98,000	111,000	25,000
TOTAL: USE OF PROPERTY		15,151,943	13,805,000	13,865,000	15,197,000	1,392,000
FEDERAL GRANTS						
280	Civil Defense	149,635	75,000	100,000	119,000	44,000
STATE AID						
401	Targeted Aid (Income Tax Disparity)	69,559,288	69,695,000	69,695,000	76,002,000	6,307,000
404	Security Interest Filing Fees	3,286,910	3,050,000	3,050,000	3,125,000	75,000
406	Police Protection Aid	52,808	89,000	89,000	87,000	(2,000)
415	Local Health Operations	12,147,025	11,771,000	11,771,000	12,079,000	308,000
444	Public Utility DeRegulation Grant	453,420	453,000	453,000	453,000	0
475	Library Services	5,425,974	5,427,000	5,427,000	6,060,000	633,000
482	War Memorial	159,971	167,000	173,000	176,000	9,000
TOTAL: STATE AID		91,085,396	90,652,000	90,658,000	97,982,000	7,330,000
PRIVATE GRANTS						
590	Interest - Enoch Pratt Endowment	74,000	75,000	81,000	96,000	21,000
591	Annual Non Profit Contribution	4,099,688	0	0	0	0
592	Voluntary Payment In Lieu of Taxes	215,000	0	0	0	0
TOTAL: PRIVATE GRANTS		4,388,688	75,000	81,000	96,000	21,000
CHARGES - CURRENT SERVICES						
General Government						
617	Emergency Repairs - Contractors' Fees	703	2,000	2,000	2,000	
618	Transcriber Service Charges	4,390	7,000	7,000	7,000	
620	RBDL Administration Fee	7,552	7,000	8,000	8,000	1,000
621	Bill Drafting Service	21,982	21,000	21,000	21,000	0
623	Zoning Appeal Fees	95,703	90,000	90,000	90,000	0
624	Rehab Loan Application Fees	10,536	15,000	15,000	15,000	0
628	Civil Marriage Ceremonies	16,830	18,000	16,000	16,000	(2,000)
630	Administrative Fees Benefits	4,872	8,000	5,000	5,000	(3,000)
632	Lien Reports	2,258,525	1,870,000	2,550,000	2,262,000	392,000
633	Election Filing Fees	7,416	10,000	8,000	15,000	5,000
634	Surveys Sales of Maps and Records	119,789	60,000	134,000	110,000	50,000

GENERAL FUND

REVENUE ESTIMATES: FUND DETAIL FOR OPERATING AND CAPITAL

Revenue Accounts		Fiscal 2005 Actual	Fiscal 2006 Budget	Fiscal 2006 Projection	Fiscal 2007 Estimate	Budget Change
635	Telephone Commissions	7,602	10,000	7,000	5,000	(5,000)
636	3rd Party Disability Recoveries	140,356	120,000	50,000	65,000	(55,000)
637	Open Enrollment Expense Reimbursement	0	319,000	294,000	319,000	0
638	Semi - Annual Tax Payment Fee	240,794	250,000	500,000	640,000	390,000
639	Tax Roll Service Charge	20,542	25,000	20,000	19,000	(6,000)
640	Audit Fees - Comptrollers Office	617,661	575,000	575,000	575,000	0
643	Reimbursable Billing Costs	1,592	2,000	2,000	2,000	0
648	Sub-division Plat Charges	20,620	15,000	22,000	25,000	10,000
649	Vending Machine Commissions	43,720	75,000	40,000	35,000	(40,000)
651	Reimbursement for Use of City Vehicles	21,801	19,000	21,000	21,000	2,000
654	Charges for Central City Services	9,107,774	10,137,000	9,750,000	10,300,000	163,000
		12,770,760	13,655,000	14,137,000	14,557,000	902,000
Public Safety and Regulation						
656	Animal Shelter Sales and Charges	63,730	65,000	65,000	65,000	0
657	Liquor Board Advertising Fees	91,103	70,000	85,000	82,000	12,000
658	HABC/HCD 800 MHz Service Charge	0	46,000	0	0	(46,000)
659	Sale of Accident and Incident Reports	273,707	250,000	281,000	290,000	40,000
660	Stadium Security Service Charges	907,989	1,250,000	1,000,000	1,000,000	(250,000)
661	Port Fire Protection (MPA)	1,399,940	1,231,000	1,400,000	1,400,000	169,000
662	Sheriff - District Court Service	2,631,482	3,300,000	2,625,000	2,625,000	(675,000)
663	False Alarm Fees	1,310,928	1,200,000	1,300,000	1,200,000	0
664	Fire Dept - Sales of Reports	21,068	17,000	21,000	17,000	0
		6,699,947	7,429,000	6,777,000	6,679,000	(750,000)
Health						
680	Miscellaneous Environmental Fees	13,660	15,000	14,000	14,000	(1,000)
681	Air Quality Fees (1989, Ordinance #323)	50,000	50,000	50,000	50,000	0
		63,660	65,000	64,000	64,000	(1,000)
Social Services						
706	Sheriff - DHR Service Agreement	424,042	375,000	400,000	400,000	25,000
Recreation and Culture						
754	Waxter Center Memberships	7,989	8,000	8,000	4,000	(4,000)
756	William J. Myers Soccer Pavilion	149,494	160,000	150,000	140,000	(20,000)
757	Dominic "Mimi" DiPietro Ice Rink	121,537	110,000	122,000	130,000	20,000
758	Middle Branch Water Resource Center	57,146	50,000	57,000	65,000	15,000
759	Mt. Pleasant Ice Arena	12,000	16,000	16,000	0	(16,000)
760	Clarence H. "Du" Burns Arena	287,823	267,000	267,000	250,000	(17,000)
773	Video Rental and Other Charges	129,747	62,000	91,000	91,000	29,000
777	Swimming Pool Passes	93,963	108,000	122,000	120,000	12,000
		859,699	781,000	833,000	800,000	19,000
Highways						
785	Impounding Cars - Storage	6,810,109	6,700,000	6,700,000	7,370,000	670,000
786	Disposition of Eviction Chattel	780	1,000	1,000	1,000	0
		6,810,889	6,701,000	6,701,000	7,371,000	670,000

GENERAL FUND

REVENUE ESTIMATES: FUND DETAIL FOR OPERATING AND CAPITAL

Revenue Accounts	Fiscal 2005 Actual	Fiscal 2006 Budget	Fiscal 2006 Projection	Fiscal 2007 Estimate	Budget Change
Sanitation and Waste Removal					
795 Landfill Disposal Tipping Fees	4,468,370	6,530,000	11 5,900,000	6,000,000	(530,000)
797 Solid Waste Surcharge	2,313,884	2,500,000	2,300,000	2,250,000	(250,000)
799 Southwest Resource Recovery Facility	855,559	828,000	865,000	860,000	32,000
637	3	7,100,000			
	81	9,858			
TOTAL: CHARGES - CURRENT SERVICES	35,266,810	38,864,000	9,065,000	9,110,000	(748,000)
37,977,000				38,981,000	117,000
OTHER REVENUE					
General Government					
868 CHAP - Miscellaneous Revenue	13,709	12,000	25,000	25,000	13,000
869 Prior Year Reserve	0	12,456,000	12,456,000	0	(12,456,000)
870 Cash Discounts on Purchases	7,729	3,000	3,000	5,000	2,000
871 Sale of Scrap	262,194	225,000	280,000	280,000	55,000
872 Miscellaneous Revenue	1,029,782	417,000	915,000	839,000	485,000
873 Penalties and Interest Excl Real and Personal	747,075	400,000	450,000	500,000	0
874 Expenditure Refunds	0	2,000	2,000	2,000	0
875 Asbestos Litigation Settlement Proceeds	569,299	0	200,000	0	0
876 State Income Tax Reserve Paymen	(50,000)	0	0	0	0
877 Sale of Scrap/Recycled Metal	198,049	150,000	150,000	150,000	0
	2,777,837	13,665,000	14,481,000	1,801,000	(11,901,000)
Public Safety and Regulation					
885 Police - Miscellaneous	25,529	26,000	14,000	14,000	(12,000)
887 Fire - Miscellaneous	1,125	1,000	1,000	16,000	15,000
	26,654	27,000	15,000	30,000	3,000
TOTAL: OTHER REVENUE	2,804,491	13,692,000	14,496,000	1,831,000	(11,898,000)
REVENUE TRANSFERS					
951 From (To) Loan and Guarantee Enterprise Fund	(2,897,882)	(3,414,000)	(2,894,000)	(1,500,000)	1,914,000
952 From Parking Management Fund	30,948,516	22,106,000	24,131,000	25,231,000	3,125,000
953 From (To) Unemployment Fund	0	(4,800,000)	(4,800,000)	(2,400,000)	2,400,000
954 From (To) Fleet Operations Fund	0	(2,456,000)	(2,456,000)	(3,571,000)	(1,115,000)
955 From (To) Worker's Comp Fund	0	(5,200,000)	(5,200,000)	(5,200,000)	0
TOTAL: REVENUE TRANSFERS	28,050,634	6,236,000	8,781,000	12,560,000	6,324,000
SURPLUS					
999 Prior Year Fund Balance	4,995,79	3,000,000	3,000,000	0	(3,000,000)
TOTAL GENERAL FUND	1,126,008,743	1,106,256,000	1,180,204,000	1,203,923,000	97,667,000
			0		

MOTOR VEHICLE FUND
REVENUE ESTIMATES: FUND DETAIL FOR OPERATING AND CAPITAL

<u>Revenue Accounts</u>	Fiscal 2005 Actual	Fiscal 2006 Budget	Fiscal 2006 Projection	Fiscal 2007 Estimate	Budget Change
MOTOR VEHICLE					
Taxes - State Shared					
101 State Highway User Revenues	200,604,908	221,569,000	221,569,000	238,838,000	17,269,000
Licenses and Permits					
169 Permits and Inspection - Private Paving	24,060	25,000	25,000	25,000	0
170 Developer Agreement Fees	810,685	650,000	800,000	800,000	150,000
	834,745	675,000	825,000	825,000	150,000
Fines and Forfeits					
175 Stormwater and Sediment Control Penalties	1,800	0	30,000	2,000	2,000
180 Red Light Fines	5,335,480	7,000,000	5,800,000	6,200,000	(800,000)
	5,337,280	7,000,000	5,830,000	6,202,000	(798,000)
Use of Money and Property					
201 Expressway Air Space Leases	12,028	10,000	10,000	12,000	2,000
205 Earnings on Investments	440,330	992,000	631,000	701,000	(291,000)
220 MTA Bus Shelter Agreement	103,190	125,000	170,000	190,000	65,000
	555,548	1,127,000	811,000	903,000	(224,000)
Charges - Current Services					
652 Impounding Cars	3,272,156	3,500,000	3,450,000	3,850,000	350,000
781 Stormwater and Sediment Control Fees	280,581	221,000	220,000	220,000	(1,000)
785 General Revenue Highways	2,355,274	2,132,000	3,500,000	3,600,000	1,468,000
788 Traffic Engineering	29,009	28,000	23,000	29,000	1,000
	5,937,020	5,881,000	7,193,000	7,699,000	1,818,000
Other Revenue					
111 Overhead Reimbursement	(955,106)	(900,000)	(961,000)	(1,000,000)	(100,000)
869 Prior Year Reserve	0	1,437,000	0	0	(1,437,000)
	(955,106)	537,000	(961,000)	(1,000,000)	(1,537,000)
Construction Reserve					
899 From (To) Fund Balance	9,893,200	0	0	0	0
Revenue Transfers					
954 From (To) Fleet Operations Fund	0	(1,437,000)	0	0	1,437,000
TOTAL MOTOR VEHICLE FUND	222,207,595	235,352,000	235,267,000	253,467,000	18,115,000

PARKING MANAGEMENT FUND

REVENUE ESTIMATES: FUND DETAIL FOR OPERATING AND CAPITAL

Revenue Accounts		Fiscal 2005 Actual	Fiscal 2006 Budget	Fiscal 2006 projection	Fiscal 2007 Estimate	Budget Change
PARKING MANAGEMENT						
Licenses and Permits						
141	Residential Parking Permits	428,062	422,000	440,000	430,000	8,000
Use of Money and Property						
201	Rental of Property	4,560	0	5,000	0	0
Charges - Current Services						
759	Temporary Parking Lots	1,133,790	310,000	500,000	35,000	(275,000)
760	Parking Garages	3,752,517	2,789,000	3,300,000	2,963,000	211,000
872	Miscellaneous Revenue	2,300	10,000	10,000	9,000	(1,000)
		4,888,607	3,109,000	3,810,000	3,007,000	(65,000)
TOTAL: PARKING MANAGEMENT		5,321,229	3,531,000	4,255,000	3,437,000	(57,000)
REVENUE TRANSFERS						
950	From Parking Enterprise Fund	35,763,185	31,499,000	31,009,000	34,162,000	2,663,000
952	To General Fund	(30,948,516)	(23,726,000)	(24,131,000)	(25,231,000)	(1,542,000)
TOTAL: REVENUE TRANSFERS		4,814,669	7,773,000	6,878,000	8,931,000	1,121,000
			11,304,000	11,133,000	12,368,000	1,064,000
TOTAL PARKING MANAGEMENT FUND		10,135,898				

CONVENTION CENTER BOND FUND

REVENUE ESTIMATES: FUND DETAIL FOR OPERATING AND CAPITAL

<u>Revenue Accounts</u>	Fiscal 2005 Actual	Fiscal 2006 Budget	Fiscal 2006 Projection	Fiscal 2007 Estimate	Budget Change
CONVENTION CENTER BOND FUND					
Sales and Service Taxes					
052 Hotel Tax	18,517,630	18,200,000	19,380,000	19,960,000	1,760,000
	18,517,630	18,200,000	19,380,000	19,960,000	1,760,000
TOTAL: CONVENTION CENTER BOND FUND					
REVENUE TRANSFERS					
953 Transfer to General Fund	(13,951,176)	(13,500,000)	(14,680,000)	(15,317,000)	(1,817,000)
TOTAL CONVENTION CENTER BOND FUND	4,566,454	4,700,000	4,700,000	4,643,000	(57,000)

WASTE WATER UTILITY FUND

REVENUE ESTIMATES: FUND DETAIL FOR OPERATING AND CAPITAL

Revenue Accounts	Fiscal 2005 Actual	Fiscal 2006 Budget	Fiscal 2006 Projection	Fiscal 2007 Estimate	Budget Change
WASTE WATER UTILITY FUND					
Fines and Forfeits					
838 Non - Compliance Fines	3,526	3,000	3,000	3,500	500
Use of Money and Property					
835 Interest Income	255,089	192,000	366,000	406,000	214,000
Charges - Current Services					
825 Sewerage Charges - City	74,619,755	80,927,000	79,300,000	86,428,000	5,501,000
826 Sewerage Charges - Counties	42,858,540	49,041,000	50,100,000	54,296,000	5,255,000
827 Treated Effluent - Bethlehem Steel	24,500	27,000	25,000	24,500	(2,500)
831 Sewerage Charges - City Agencies	12,973,862	12,535,000	12,850,000	14,020,000	1,485,000
832 Industrial Waste Surcharge - City	6,323,996	6,500,000	3,824,000	3,824,000	(2,676,000)
833 Industrial Waste Surcharge - Counties	2,396,457	1,930,000	1,930,000	1,930,000	0
837 Pretreatment Permits	232,222	270,000	270,000	232,000	(38,000)
	139,429,332	151,230,000	148,299,000	160,754,500	9,524,500
Other Revenue					
830 Sanitation and Waste Removal - General	724,019	600,000	600,000	650,000	50,000
836 Reimbursable Billing Costs	0	1,000	1,000	0	(1,000)
	724,019	601,000	601,000	650,000	49,000
Fund Balance					
834 From (To) Fund Balance	(259,000)	(3,126,000)	11(3,126,000)	693,000	3,819,000
TOTAL WASTE WATER UTILITY FUND	140,152,966	148,900,000	146,143,000	162,507,000	13,607,000

WATER UTILITY FUND
REVENUE ESTIMATES: FUND DETAIL FOR OPERATING AND CAPITAL

Revenue Accounts	Fiscal 2005 Actual	Fiscal 2006 Budget	Fiscal 2006 Projection	Fiscal 2007 Estimate	Budget Change
WATER UTILITY FUND Use of Money and Property					
851 Water - Rental Real Property	75,065	59,000	76,000	70,000	11,000
856 Interest Income	402,678	345,000	577,000	641,000	296,000
	477,743	404,000	653,000	711,000	307,000
Charges - Current Services					
839 Metered Water - Carroll County	255,617	279,000	279,000	304,000	25,000
840 Metered Water-City	48,027,425	50,793,000	50,793,000	55,183,000	4,390,000
841 Metered Water - Baltimore County	33,919,431	39,249,000	37,700,000	41,070,000	1,821,000
842 Metered Water - Anne Arundel County	2,954,970	3,216,000	3,400,000	3,505,000	289,000
843 Metered Water - Howard County	7,447,996	8,175,000	8,175,000	8,849,000	674,000
844 Metered Water - Harford County	98,550	85,000	100,000	105,000	20,000
846 Special Water Supply Service	312,303	270,000	270,000	315,000	45,000
848 Private Fire Protection Service	349,132	370,000	400,000	384,000	14,000
849 Fire Hydrant Permits	35,656	33,000	37,000	40,000	7,000
854 Water Charges to City Agencies	4,840,998	5,063,000	5,063,000	5,519,000	456,000
858 Penalties	5,915,309	4,800,000	6,000,000	5,000,000	200,000
	104,157,387	112,333,000	112,217,000	120,274,000	7,941,000
Other Revenue					
852 Sundry Water	201,449	300,000	200,000	200,000	(100,000)
857 Reimbursable Billing Costs	12,806	13,000	14,000	13,000	0
859 Scrap Meters	43,793	23,000	23,000	35,000	12,000
870 Cash Discounts on Purchases	728	0	0	0	0
	258,776	336,000	237,000	248,000	(88,000)
Fund Balance					
855 From (To) Fund Balance	180,000	(2,192,000)	(2,192,000)	932,000	3,124,000
TOTAL WATER UTILITY FUND	105,073,906	110,881,000	110,915,000	122,165,000	11,284,000

PARKING ENTERPRISE FUND

REVENUE ESTIMATES: FUND DETAIL FOR OPERATING AND CAPITAL

<u>Revenue Accounts</u>	Fiscal 2005 Actual	Fiscal 2006 Budget	Fiscal 2006 Projection	Fiscal 2007 Estimate	Budget Change
PARKING ENTERPRISE FUND					
Taxes - Local					
044 Parking Garages and Lots Tax	16,310,542	15,600,000	15,750,000	16,220,000	620,000
Licenses and <i>Permits</i>					
165 Open Air Garage Permits	834,642	830,000	840,000	844,000	14,000
Fines and Forfeits					
181 Parking Fines	10,090,856	9,800,000	10,000,000	9,800,000	0
182 Penalties on Parking Fines	6,669,502	5,400,000	6,700,000	6,000,000	600,000
	16,760,358	15,200,000	16,700,000	15,800,000	600,000
Use of Money and Property					
579 Garage Income	20,153,624	20,170,000	20,300,000	21,070,000	900,000
Charges - Current Services					
664 Parking Meters	5,455,402	5,400,000	5,500,000	5,500,000	100,000
TOTAL: PARKING ENTERPRISE	59,514,568	57,200,000	59,090,000	59,434,000	2,234,000
REVENUE TRANSFERS					
952 To Parking Management Fund	(35,763,185)	(29,879,000)	(31,009,000)	(34,162,000)	(4,283,000)
TOTAL PARKING ENTERPRISE FUND	23,751,383	27,321,000	28,081,000	25,272,000	(2,049,000)

LOAN AND GUARANTEE FUND

REVENUE ESTIMATES: FUND DETAIL FOR OPERATING AND CAPITAL

Revenue Accounts	Fiscal 2005 Actual	Fiscal 2006 Budget	Fiscal 2006 Projection	Fiscal 2007 Estimate	Budget Change
LOAN AND GUARANTEE ENTERPRISE FUND					
Use of Money and Property					
200 Earnings on Investments	235,437	192,000	338,000	375,000	183,000.
201 Rental of Property	0	125,000	125,000	125,000	0
202 Interest on Loans	30,031	20,000	20,000	16,000	(4,000)
	265,468	337,000	483,000	516,000	179,000
Other Revenue					
872 Miscellaneous Revenue	8,680	10,000	10,000	10,000	0
Fund Balance					
889 From (To) Fund Balance	0	0	0	1,736,000	1,736,000
 TOTAL: LOAN AND GUARANTEE ENTERPRISE	 274,148	 347,000	 493,000	 2,262,000	 1,915,000
REVENUE TRANSFERS					
951 From (To) General Fund	2,897,882	3,414,000	2,894,000	1,500,000	(1,914,000)
 TOTAL LOAN AND GUARANTEE ENTERPRISE FUND	 3,172,030	 3,761,000	 3,387,000	 3,762,000	 1,000

CONDUIT ENTERPRISE FUND

REVENUE ESTIMATES: FUND DETAIL FOR OPERATING AND CAPITAL

Revenue Accounts		Fiscal 2005 Actual	Fiscal 2006 Budget		Fiscal 2006 Projection	Fiscal 2007 Estimate	Budget Change
USE OF PROPERTY							
249	Conduit Rental	5,468,565	6,530,000	1	6,530,000	7,181,000	651,000
CHARGES - CURRENT SERVICES							
654	Charges for Central City Services	(186,827)	(431,000)		(431,000)	(424,000)	7,000
FUND BALANCE							
899	From (To) Fund Balance	1,878,500	1,100,000	j	1,100,000	316,000	(784,000)
TOTAL CONDUIT ENTERPRISE FUND		7,160,238	7,199,000		7,199,000	7,073,000	(126,000)

FEDERAL GRANTS
REVENUE ESTIMATES: GRANT DETAIL FOR OPERATING

		Fiscal 2006 Budget	Fiscal 2007 Estimate	Budget Change
Adjudication				
110	Circuit Court	1,282,672	1,326,569	43,897
115	Prosecution of Criminals	1,679,786	1,552,690	(127,096)
118	Sheriff Services	66,900	24,500	(42,400)
224	Office of Criminal Justice	50,000	50,000	0
		3,079,358	2,953,759	(125,599)
Culture				
187	City Planning	308,226	321,504	13,278
Economic Development				
230	Administration	375,000	375,000	0
582	Finance and Development	4,279,352	4,493,116	213,764
583	Neighborhood Services	2,827,331	668,018	(2,159,313)
585	Baltimore Development Corporation	400,000	400,000	0
593	Community Support Projects	3,688,100	3,382,700	(305,400)
631	Job Training Partnership (Titles II/III)	11,909,258	10,482,410	(1,426,848)
633	Youth Initiatives	2,000,000	2,000,000	0
639	Special Services	3,542,685	3,503,436	(39,249)
		29,021,726	25,304,680	(3,717,046)
Education				
593	Community Support Projects	287,100	455,000	167,900
605	Head Start	5,598,333	5,458,663	(139,670)
		5,885,433	5,913,663	28,230
General Government				
110	Circuit Court	6,455	12,255	5,800
115	Prosecution of Criminals	220	14,167	13,947
156	Development of Intergroup Relations	57,556	62,210	4,654
177	Administrative Direction and Control	995,464	993,512	(1,952)
180	Voter Registration and Conduct of Elections	250,000	0	(250,000)
187	City Planning	874,370	835,628	(38,742)
212	Fire Suppression	1,000,000	1,000,000	0
260	Construction and Building Inspection	582,236	572,482	(9,754)
301	Baltimore Homeless Services	0	350	350
302	Environmental Health	0	9,655	9,655
304	Health Promotion and Disease Prevention	0	28,320	28,320
305	Health Services Initiatives	0	599	599
308	Maternal and Child Health	0	56,122	56,122
309	Child and Adult Care - Food	0	564	564
310	School Health Services	0	3,636	3,636
311	Health Services for the Aging	0	44,175	44,175
325	Senior Services	4,498,000	4,627,858	129,858
593	Community Support Projects	114,000	114,000	0
605	Head Start	0	52	52
630	Administration (Title I)	17,136	58,618	41,482
		8,395,437	8,434,203	38,766

FEDERAL GRANTS
REVENUE ESTIMATES: GRANT DETAIL FOR OPERATING

		Fiscal 2006 Budget	Fiscal 2007 Estimate	Budget Change
Health				
302	Environmental Health	1,245,674	1,219,210	(26,464)
304	Health Promotion and Disease Prevention	30,536,993	30,196,902	(340,091)
305	Health Services Initiatives	2,981,318	4,120,063	1,138,745
306	General Nursing Services	125,054	232,219	107,165
307	Mental Health Services	1,484,026	438,301	(1,045,725)
308	Maternal and Child Health	15,052,017	15,438,034	386,017
309	Child and Adult Care - Food	6,382,405	6,624,399	241,994
310	School Health Services	1,071,669	1,069,495	(2,174)
311	Health Services for the Aging	29,736,775	29,636,559	(100,216)
593	Community Support Projects	781,098	957,800	176,702
605	Head Start	185,986	187,846	1,860
		89,583,015	90,120,828	537,813
Public Safety				
201	Field Operations Bureau	10,303,209	10,287,904	(15,305)
202	Investigations	79,660	79,660	0
212	Fire Suppression	5,082,000	6,825,908	1,743,908
213	Fire Marshal	20,000	500,000	480,000
214	Support Services	0	200,000	200,000
224	Office of Criminal Justice	9,857,786	9,847,032	(10,754)
319	Ambulance Service	410,000	2,150,040	1,740,040
583	Neighborhood Services	5,165,861	800,000	(4,365,861)
		30,918,516	30,690,544	(227,972)
Recreation				
593	Community Support Projects	242,250	242,300	50
Sanitation				
593	Community Support Projects	28,600	28,600	0
Social Services				
119	Neighborhood Service Centers	1,557,918	1,496,596	(61,322)
301	Baltimore Homeless Services	24,188,382	22,637,903	(1,550,479)
325	Senior Services	147,937	143,547	(4,390)
350	Children, Youth and Families	712,900	299,224	(413,676)
593	Community Support Projects	306,550	306,600	50
604	Child Care Centers	1,460,413	868,532	(591,881)
605	Head Start	22,917,258	23,280,685	363,427
		51,291,358	49,033,087	(2,258,271)
TOTAL FEDERAL GRANTS				
		218,753,919	213,043,168	(5,710,751)

FEDERAL GRANTS

REVENUE ESTIMATES: GRANT DETAIL FOR OPERATING

DISTRIBUTION OF COMMUNITY DEVELOPMENT BLOCK GRANT

	Fiscal 2006 Budget	Fiscal 2007 Estimate	Budget Change
Housing and Community Development			
119 Neighborhood Service Centers	1,557,918	1,496,596	(61,322)
177 Administrative Direction and Control	900,464	898,512	(1,952)
260 Construction and Building Inspection	582,236	572,482	(9,754)
582 Finance and Development	3,529,414	3,724,668	195,254
583 Neighborhood Services	7,993,067	1,469,570	(6,523,497)
585 Baltimore Development Corporation	400,000	400,000	0
593 Community Support Projects	5,447,698	5,487,000	39,302
604 Child Care Centers	1,460,413	868,532	(591,881)
	21,871,210	14,917,360	(6,953,850)
Planning			
187 City Planning	990,744	1,055,673	64,929
TOTAL COMMUNITY DEVELOPMENT BLOCK GRANTS	22,861,954	15,973,033	(6,888,921)

STATE GRANTS

REVENUE ESTIMATES: GRANT DETAIL FOR OPERATING

		Fiscal 2006 Budget	Fiscal 2007 Estimate	Budget • Change
Adjudication				
110	Circuit Court	3,841,980	4,180,552	338,572
115	Prosecution of Criminals	3,739,177	3,786,000	46,823
		7,581,157	7,966,552	385,395
Culture				
187	City Planning	60,000	0	(60,000)
Economic Development				
531	Convention Center Operations	3,600,000	3,000,000	(600,000)
583	Neighborhood Services	0	94,874	94,874
597	Weatherization	280,000	320,000	40,000
639	Special Services	97,316	137,423	40,107
		3,977,316	3,552,297	(425,019)
Education				
450	Administrative and Technical Services	1,246,349	1,298,075	51,726
452	Neighborhood Services	86,649	86,649	0
453	State Library Resource Center	8,627,521	8,741,189	113,668
606	Arts and Education	78,610	0	(78,610)
639	Special Services	352,427	388,620	36,193
		10,391,556	10,514,533	122,977
General Government				
119	Neighborhood Service Centers	10,122	7,921	(2,201)
184	Energy Assistance and Emergency Food	210	209	(1)
187	City Planning	140,000	140,000	0
195	Towing	25,000	25,000	0
302	Environmental Health	0	9,803	9,803
305	Health Services Initiatives	0	1,614	1,614
306	General Nursing Services	0	35,716	35,716
325	Senior Services	2,034,861	2,248,471	213,610
450	Administrative and Technical Services	365,247	375,685	10,438
480	Regular Recreational Services	0	2,539	2,539
583	Neighborhood Services	55,017	54,224	(793)
639	Special Services	0	4,853	4,853
		2,630,457	2,906,035	275,578
Health				
302	Environmental Health	265,046	289,305	24,259
304	Health Promotion and Disease Prevention	566,242	626,817	60,575
305	Health Services Initiatives	2,461,411	776,720	(1,684,691)
306	General Nursing Services	8,595,343	9,301,274	705,931
307	Mental Health Services	1,793,378	1,793,378	0
308	Maternal and Child Health	383,565	172,739	(210,826)
310	School Health Services	534,905	480,144	(54,761)
311	Health Services for the Aging	906,581	1,165,976	259,395
		15,506,471	14,606,353	(900,118)

STATE GRANTS

REVENUE ESTIMATES: GRANT DETAIL FOR OPERATING

		Fiscal 2006 Budget	Fiscal 2007 Estimate	Budget Change
Public Safety				
115	Prosecution of Criminals	40,738	43,716	2,978
201	Field Operations Bureau	6,619,792	7,254,216	634,424
203	Traffic	18,000	18,000	0
212	Fire Suppression	100,000	50,000	(50,000)
213	Fire Marshal	70,000	0	(70,000)
214	Support Services	976,335	964,733	(11,602)
215	Fire Alarm and Communications	5,000	10,000	5,000
319	Ambulance Service	88,500	77,000	(11,500)
		7,918,365	8,417,665	499,300
Recreation				
471	Administrative Direction and Control	0	129,982	129,982
478	General Park Services	43,775	43,997	222
480	Regular Recreational Services	129,000	126,461	(2,539)
606	Arts and Education	1,412,320	1,595,200	182,880
		1,585,095	1,895,640	310,545
Social Services				
119	Neighborhood Service Centers	2,818,794	2,865,396	46,602
184	Energy Assistance and Emergency Food	1,934,290	2,682,125	747,835
301	Baltimore Homeless Services	3,212,471	3,223,168	10,697
325	Senior Services	1,660,363	1,623,438	(36,925)
350	Children, Youth and Families	303,187	303,187	0
597	Weatherization	885,780	968,580	82,800
605	Head Start	1,840,733	1,857,833	17,100
		12,655,618	13,523,727	868,109
Transportation				
230	Administration	134,389	79,224	(55,165)
233	Signs and Markings	6,000	6,000	0
		140,389	85,224	(55,165)
TOTAL STATE GRANTS				
		62,446,424	63,468,026	1,021,602

SPECIAL GRANTS

REVENUE ESTIMATES: GRANT DETAIL FOR OPERATING

	Fiscal 2006 Budget	Fiscal 2007 Estimate	Budget Change
Adjudication			
115 Prosecution of Criminals	50,000	50,000	0
Debt Service			
129 Conditional Purchase Agreement Payments	236	236	0
Economic Development			
572 Cable and Communications Coordination	2,000	0	(2,000)
582 Finance and Development	230,000	130,000	(100,000)
583 Neighborhood Services	50,000	50,000	0
585 Baltimore Development Corporation	410,000	410,000	0
639 Special Services	98,677	0	(98,677)
	790,677	590,000	(200,677)
Education			
450 Administrative and Technical Services	496,127	525,448	29,321
General Government			
132 Real Estate Acquisition and Management	173,402	125,787	(47,615)
152 Employees' Retirement System	4,553,687	4,474,114	(79,573)
154 Fire and Police Retirement System	3,503,005	2,998,492	(504,513)
175 Legal Services	0	356	356
177 Administrative Direction and Control	1,470,072	304,427	(1,165,645)
204 Services Bureau	16,226	29,956	13,730
260 Construction and Building Inspection	1,150,000	1,150,000	0
301 Baltimore Homeless Services	5,841	13,383	7,542
305 Health Services Initiatives	0	28	28
306 General Nursing Services	0	87	87
308 Maternal and Child Health	0	178	178
310 School Health Services	0	58,914	58,914
319 Ambulance Service	23,293	27,289	3,996
325 Senior Services	760,260	444,300	(315,960)
450 Administrative and Technical Services	0	5,156	5,156
471 Administrative Direction and Control	9,000	9,000	0
480 Regular Recreational Services	0	3,525	3,525
482 Supplementary Recreational Services	0	14,875	14,875
572 Cable and Communications Coordination	1,630,505	1,890,270	259,765
	13,295,291	11,550,137	(1,745,154)
Health			
240 Animal Control	14,000	0	(14,000)
302 Environmental Health	70,000	70,000	0
303 Special Purpose Grants	2,000,000	2,000,000	0
305 Health Services Initiatives	279,813	224,550	(55,263)
308 Maternal and Child Health	1,070,170	820,546	(249,624)
310 School Health Services	5,820,694	6,099,003	278,309
311 Health Services for the Aging	365,803	100,000	(265,803)
	9,620,480	9,314,099	(306,381)

SPECIAL GRANTS

REVENUE ESTIMATES: GRANT DETAIL FOR OPERATING

	Fiscal 2006 Budget	Fiscal 2007 Estimate	Budget Change
Legislative			
106 Legislative Reference Services	11,400	11,400	0
Public Safety			
129 Conditional Purchase Agreement Payments	215	0	(215)
202 Investigations	1,035,000	1,235,000	200,000
204 Services Bureau	4,713,014	4,788,062	75,048
213 Fire Marshal	10,000	10,000	0
224 Office of Criminal Justice	275,000	275,000	0
319 Ambulance Service	10,966,707	10,972,711	6,004
583 Neighborhood Services	943,678	918,678	(25,000)
	17,943,614	18,199,451	255,837
Recreation			
479 Special Facilities	146,400	146,400	0
480 Regular Recreational Services	433,447	429,922	(3,525)
482 Supplementary Recreational Services	307,262	307,619	357
	887,109	883,941	(3,168)
Sanitation			
515 Solid Waste Collection	500,000	1,150,000	650,000
Social Services			
301 Baltimore Homeless Services	322	0	(322)
325 Senior Services	4,038	4,038	0
353 Office of Community Projects	140,000	140,000	0
	144,360	144,038	(322)
TOTAL SPECIAL GRANTS	43,739,294	42,418,750	(1,320,544)

Fiscal 2007

Summary of the Adopted Budget

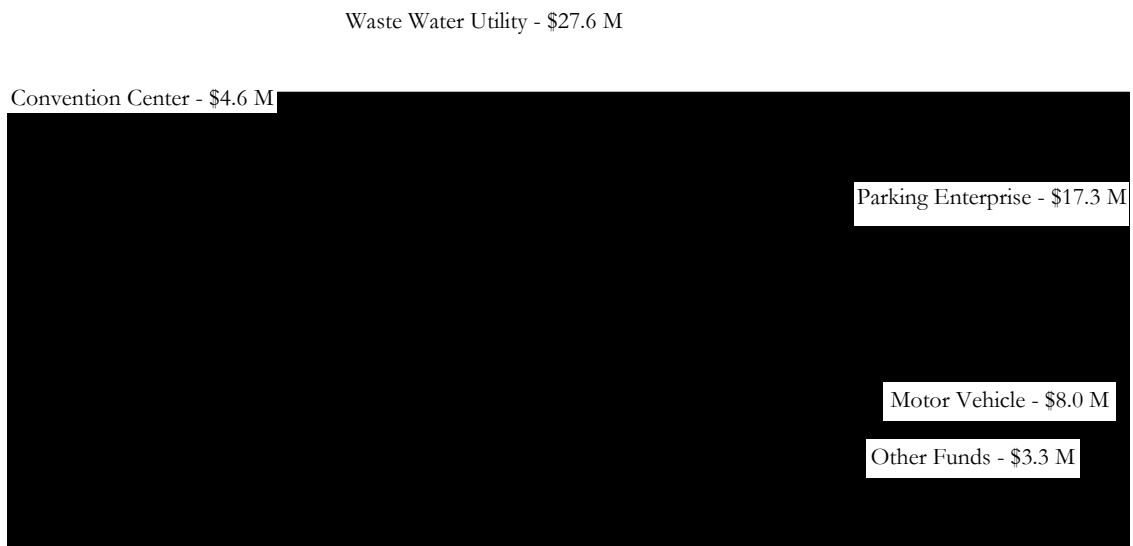
Debt Service

FISCAL 2007

SUMMARY OF THE ADOPTED BUDGET Debt Service Overview

SUMMARY

Fiscal 2007 Debt Service by Budget Fund Total: \$176,911,814



Notes: Transfer credits not reflected. Other Funds includes Loan and Guarantee, Internal Service and Special Funds.

(May not add to total due to rounding)

Total Debt Service

2005 Actual	2006 Budget	2007 Budget
\$140.8M	\$166.0M	\$176.9M

After expenses for personnel, contractual services and grants, subsidies and contributions, the single largest type of expenditure made in the City budget plan is for debt service payments. Debt Service pays the interest and principal costs on the bonds issued by the City to build capital projects. In the formulation of the annual budget, the City Council is empowered by the Charter to reduce all appropriations; except "such amounts *as are* for the payment of interest and principal of the municipal debt." Because of this provision the bonds are backed by the "full faith and credit" of the City.

The Fiscal 2007 appropriations for all funds (before transfer credits) of \$176.9 million are \$10.9 million above the Fiscal 2006 level of appropriation. The major changes result from an increase in Waste Water Utility Fund (\$7.2 million), Waste Water Utility Fund (\$3.4 million), General Fund (\$2.4 million), and Motor Vehicle Fund (\$484,000) appropriations. Parking Enterprise Fund decreased \$2.4 million, while Internal Service Fund, Convention Center Bond Fund, Loan and Guarantee Fund, and Special Funds decreased \$217,000.

SELECTED GENERAL OBLIGATION DEBT STATISTICS

	Total Debt Service		Gross	Net General Bonded Debt		
	Amount (000s)	Ratio to General Expenditures	Bonded Debt (000s)	Amount (000s)	Ratio to Assessed Value	Per Capita
Fiscal 1996	\$53,500	3.1%	\$416,293	\$337,541	4.1%	\$494
Fiscal 1997	\$40,615	2.3%	\$441,435	\$362,959	4.4%	\$542
Fiscal 1998	\$50,836	4.9%	\$457,039	\$387,563	4.8%	\$595
Fiscal 1999	\$55,414	5.3%	\$474,068	\$412,212	5.0%	\$653
Fiscal 2000	\$65,525	6.0%	\$488,306	\$430,899	5.0%	\$687
Fiscal 2001	\$59,797	5.1%	\$494,515	\$439,359	5.0%	\$687
Fiscal 2002	\$56,292	4.6%	\$509,259	\$453,232	2.4% (1)	\$714
Fiscal 2003	\$60,084	3.9%	\$567,602	\$514,195	2.7% (1)	\$805
Fiscal 2004	\$60,827	3.9%	\$582,382	\$530,166	2.7% (1)	\$825
Fiscal 2005	\$66,695	4.4%	\$582,587	\$523,286	2.5% (1)	\$822

(1) The lower ratio of Net General Bonded Debt to Assessed Value reflects the change in real property assessment from 40.0% to 100.0% of market value.

Source: City of Baltimore Comprehensive Annual Financial Report (CAFR), June 30, 2005

Debt Management Policy

The amount of debt authorized and issued annually is subject to limits incorporated in the City's debt policy. This policy adopted by the Board of Estimates on August 22, 1990 sets forth borrowing limits for the capital budget process and establishes guidelines for capital budget plans. The policy is subject to review every five years or as recommended by the Director of Finance. The limit on annual tax supported borrowing is \$60.0 million. The City annual cash borrowing is guided by authorized project requirements.

The policy prohibits City agencies from negotiating financing, consolidates most financing arrangements in the Bureau of Treasury Management and recognizes conditional purchase payment financing as debt service for the purpose of evaluating the City's financial condition and budget planning. The policy also calls for scheduling debt service payments to minimize fluctuations in annual budgetary requirements and increased utilization of pay-as-you-go financing to reduce borrowing requirements.

In Fiscal 1992 and 1993, the Maryland General Assembly enacted legislation and City voters ratified local legislation permitting the City to issue General Obligation Bonds with call

provisions and to refinance debt, thus allowing the City to take advantage of favorable interest rates and achieve debt service expense savings. The City first took advantage of this legal authorization in an April 1992 General Obligation Bond sale. Legislation has been enacted and approved by the City voters which will improve debt management by authorizing (1) the City to negotiate general obligation sales; (2) the Board of Finance to structure debt maturities and interest payment schedules; (3) the Board of Finance to approve fixed, variable or other interest rates on bonds; and (4) the City to issue "mini-bonds" in denominations as small as \$500.

Legal Debt Limits

All general obligation debt is secured by the full faith and credit of the City. The City has unlimited taxing authority with respect to property taxes to support general obligation debt service requirements. The City is not constrained by any legal limits on the amount of its General Obligation debt, but is guided by prudent limits set forth in local debt policy. In addition to conservative debt management policies, the City is controlled in the amount of debt that may be incurred by the Constitution of Maryland, which requires a three-step procedure for the creation of debt by the City of Baltimore. First there must be an act of the Maryland General Assembly or a resolution of the majority of the City's delegates to the General Assembly. Pursuant to State authorization, the Mayor and City Council must approve an ordinance. Finally, the voters of the City must ratify the debt issuance.

Effects of Existing Debt on Current and Future Operations

Debt service expense and appropriation data is summarized by fund and type of debt at the end of this section. General obligation debt as a percent of general expenditures for the governmental fund types is anticipated to decrease from about 4.6% in Fiscal 2006 to about 4.4% in Fiscal 2007, as appropriation requirements remains fairly stable from \$74.9 million to \$74.2 million. Based on traditional debt ratio evaluation criteria, current debt burdens and those forecasted, the City's debt is within acceptable limits. The City's current credit rating is A1 with Moody's, A+ with Standard & Poor's and A+ with Fitch. These credit ratings reflect the judgment of the rating agencies that the City has strong capacity to pay principal and interest on debt. Debt service requirements, in and of themselves, do not place an unusual burden on the resource base of the City. The City maintains key credit and debt management ratios at acceptable levels while financing a \$2.6 billion Fiscal 2007 capital budget and five-year program. Selected debt management factors are listed below.

- The City's net General Obligation debt is below 10.0% of assessed valuation often cited as a danger point (2.5%, 2005). Net General Obligation debt is well below the \$1,200 per capita figure suggested as a danger point by credit analysts (\$822, 2005).
- Net General Obligation debt service as a percent of total general expenditures is well below the danger point of 10.0% suggested by credit analysts (4.4%, 2005).
- The City is not constrained by any legal limits on its debt authorization limit but is guided by prudent limits set forth in local debt policy.
- The City has no overlapping debt and no instance of default.
- The City has unlimited taxing authority with respect to property taxes.

Principal and interest obligations of the Water and Waste Water Utility and Parking Enterprise funds are payable from the earnings of the respective funds. Appropriate ratios of pledged

revenue to maximum annual debt service obligations must be and are maintained for the respective funds.

SCHEDULE OF LONG TERM DEBT SERVICE

Estimated Principal and Interest Payments
Including Fiscal 2006 Actual and Fiscal 2007 Estimated Debt Issuance

	General Debt (\$000s)	Conditional Purchase Agreements (\$000s)	Enterprise Revenue Debt (\$000s)	Other Debt (\$000s)
Fiscal 2006	73,019	21,863	65,127	6,758
Fiscal 2007	73,780	25,327	80,865	8,301
Fiscal 2008	80,214	25,138	97,287	8,065
Fiscal 2009	78,324	24,898	106,761	8,074
Fiscal 2010	79,078	23,603	111,732	8,224
Fiscal 2011 and thereafter	630,526	142,576	2,743,888	150,601
Total	1,014,941	263,405	3,205,660	190,023

Source: Bureau of Treasury Management, un-audited estimate based on the Comprehensive Annual Financial Report, Year Fiscal 2005 and adjusted for estimated impacts of Fiscal 2006 and 2007 financing plans.

General Debt is made up of General Obligation bonds and bond anticipation notes. Conditional Purchase Agreements or capital lease obligations do not constitute a pledge of the full faith and credit or taxing powers of the City. The agreements are subject to termination if sufficient funds are not appropriated by the City Council. Revenue Debt is composed of Water Utility Fund, Waste Water Utility Fund, Parking Facilities and Convention Center revenue financings. Other Debt is made up of private financing with the Federal National Mortgage Corporation and longterm financing with the State and federal government.

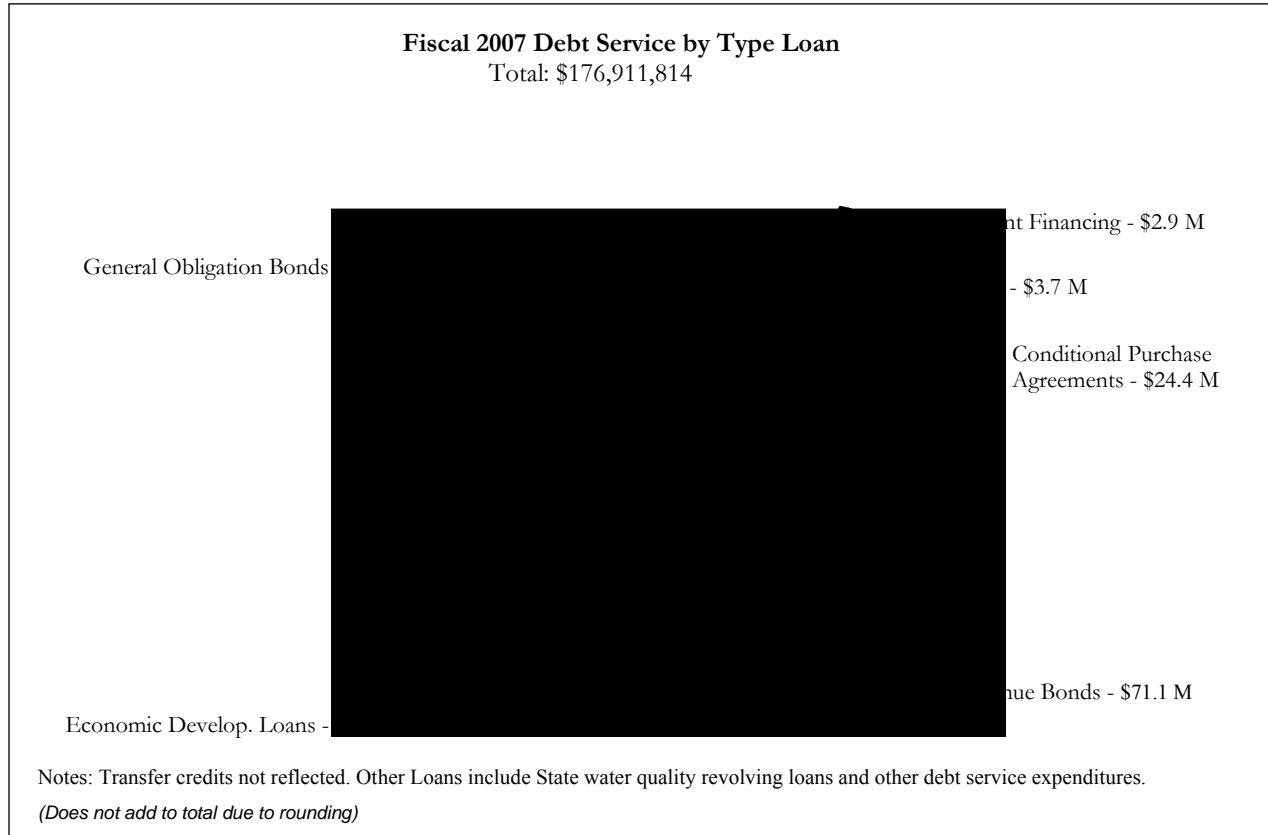
INCREASES IN LONG TERM DEBT SERVICE

Due to Fiscal 2006 and Planned Fiscal 2007 Borrowing

Outstanding Debt Service	General Debt (\$000s)	Conditional Purchase Agreement (\$000s)	Revenue Debt (\$000s)	Other Debt (\$000s)
Unaudited, 06/30/2006	59,638,422	229,036	1,969,767	115,074
Estimated, 06/30/2007	1,014,941	263,405	3,205,660	190,023
Change	171,122	34,369	1,235,893	74,949

The schedule above shows the estimated change in outstanding debt based on planned Fiscal 2006 and 2007 borrowings. The City does not have a general obligation statutory debt limit, but is subject to a three-step process described in "Legal Debt Limits" above. Outstanding debt per capita and the ratio to assessed value will increase, but still remain below danger point thresholds. General Debt Service, as a percent of General Expenditures, is estimated to increase slightly as discussed in the section Capital Projects Impact on Operating Budget. Revenue debt service constitutes the largest increase due primarily to the Baltimore Convention Center Headquarters Hotel bonds issued in January 2006, and continued borrowings for the water and wastewater enterprise funds. Revenue debt limits are established from time to time by the City Council and are issued in accordance with their respective bond indentures. Increased debt service in the "Other Debt" category is due primarily to Tax Incremental Financings (TIF). The City has a draft TIF policy in effect that places strict limits on the types of TIF projects and, among other things, requires consistency with the City's economic and development goals.

TYPES OF DEBT SERVICE PAYMENTS



General Obligation Debt

2005 Actual	2006 Budget	2007 Budget
\$63.3M	\$74.9M	\$74.2M

The Fiscal 2007 General Obligation Debt service appropriation remains stable at \$74.2 million in comparison to the Fiscal 2006 total of \$74.9.

The State Constitution requires that General Obligation debt may not have a term longer than 40 years. In general, the City's debt has a maximum maturity of no more than 20 years. This longterm debt, by law, is supported by the pledge of the full faith and credit of the City and payment is a first requirement for revenues derived from local property taxing powers. The City has no statutory limitation on the property tax levy.

Conditional Purchase Agreements

2005 Actual	2006 Budget	2007 Budget
\$20.8M	\$24.0M	\$24.4M

The Fiscal 2006 and 2007 appropriation increases are primarily due to higher General Fund debt requirements for public buildings, public schools, and Housing and Community Development project debt. Certain loan expenses in this group are offset with private party payments supporting debt expenses.

The City has entered into various Conditional Purchase Agreements (CPAs) to construct or purchase facilities and/or to acquire equipment. CPAs are long-term capital leases with annual principal and interest payment schedules that must be met for the City to acquire the asset. CPAs do not constitute a debt of the City within the meaning of any constitutional or statutory limit, nor are they supported by a pledge of the full faith and credit or taxing power of the City. In contrast to General Obligation debt, the City is not obligated to make annual appropriations. In the event the City fails to meet scheduled payments, the agreements are terminated and the City loses the right to use or acquire the financed asset. The City appropriates payments for facilities and equipment which continue to meet the City's public service objectives.

Revenue Bonds

2005	2006	2007
<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
\$53.5M	\$63.1M	\$71.1M

The bulk of the Fiscal 2007 appropriation increase is interest and principal payments in the Waste Water Utility attributable to the required investment in system upgrades, and the Water Utility Fund.

Revenue bond financing supports the capital requirement needs of enterprise operations, including the Water and Waste Water Utilities and the Parking Enterprise funds. The revenue generated by the operations is pledged to support debt service payments of these funds. Revenue bonds are not general obligations of the City. In the case of the Parking Enterprise Fund, revenues from parking taxes, parking fines and penalties and other parking revenues provide an additional security for the payment of debt service. As such, certain revenues of the General Fund are in practice obligated. In 1995, the City issued revenue debt to finance the expansion of the Convention Center. The guaranteed revenue source is the City's hotel tax.

State Economic Development Loans

2005	2006	2007
<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
\$0.6M	\$0.6M	\$0.6M

Under provisions of Subtitle 4 (Maryland Industrial Land Act or MILA) and Title 5 (Maryland Industrial and Commercial Redevelopment Fund or MICRF) of Article 83A of the Maryland laws, the City and other subdivisions of the State, may borrow funds for industrial or commercial development projects. The funds may be loaned to private enterprises for the development of specific projects. In the case of MICRF loans, the funds borrowed from the State may also be used to insure or guarantee projects. The State sets the interest rate, term and repayment provisions of the loans. In both cases, the City is liable for repayment of principal and interest

amounts on the loans in the event of failure or default of the private enterprise. Such loans are not considered general obligations of the City. The City uses these loan programs as part of its economic development program to stabilize and expand employment and tax base. Payments from businesses utilizing these programs provide General Fund revenue supporting expenses for this borrowing program

State Highway Construction Loans

2005	2006	2007
<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
\$0.0M	\$2.7M	\$3.0M

Since 1972, the City borrowed funds periodically from the State of Maryland for highway construction projects pursuant to State authorization in Sections 3-301 through 3-309 of the Transportation Article (Maryland Laws). These funds were used primarily to finance the City's share of the Interstate Highway System and for the construction or reconstruction of primary roads. The State withholds from the City's distribution of the State shared motor vehicle revenues amounts sufficient to pay the City's annual debt service. On December 9, 2004 the Maryland Department of Transportation issued \$30.0 million of Country Transportation Revenue Bonds under this Article on behalf of the City. The Bonds fund various road improvement and resurfacing projects in the City. The budget increase will pay debt service on the Bonds.

Tax Increment Financing

2005	2006	2007
<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
\$0.1M	\$0.1M	\$2.9M

The City is incurring in debt service expense for Tax Increment Financing (TIF) Bonds. This widely used financing mechanism has been adopted by the City for certain public improvements within designated districts. Taxes derived from the increased valuation (the tax increment) are used to pay debt service on the bonds used within the district. Local law provides that a supplemental tax within the each district is to be levied if the tax increment is not sufficient to cover debt service. The Fiscal 2007 debt expenses of \$2.9 million are for costs incurred for TIF projects.

Other Debt Service

2005	2006	2007
<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
\$2.4M	\$3.3M	\$3.7M

The increase in the Fiscal 2007 appropriation mainly comes from increased debt issuance costs for required system upgrades to the Water and Waste Water Utility systems, and other issuance expenses of the Water Utility Fund.

State Water Quality Loan Program

From time-to-time the City has participated in the State revolving loan program to finance certain projects to improve wastewater treatment facilities. The program is managed by the Maryland Water Quality Financing Administration. The Fiscal 2007 appropriations in the Water and Waste Water Utility Fund are about \$92,000.

Other Debt Service Expenses

Annually, the City incurs expenses associated with the issuance and management of debt including legal, printing, advertising and other expenses. These expenses are distributed among operating budget debt service programs. The Fiscal 2007 appropriations are \$3.6 million.

DEBT SERVICE EXPENSES AND APPROPRIATIONS
BY FUND AND TYPE

	Fiscal 2005 Actual	Fiscal 2006 Budget	Fiscal 2007 Budget
General Fund			
G.O., Bonds	56,866,950	69,645,660	68,862,031
Conditional Purchase Agreement	16,461,442	20,608,670	21,174,219
Economic Development Loans - State	639,591	562,806	562,764
Tax Increment Financing	70,000	140,000	2,881,943
Other Debt Service	276,986	899,074	779,289
Total	\$74,314,969	\$91,856,210	\$94,260,246
Motor Vehicle Fund			
G.O. Bonds	6,015,359	4,700,674	4,822,154
Revenue Bonds	0	2,662,390	3,034,865
Other Debt Service	139,827	196,931	186,593
Total	\$6,155,186	\$7,559,995	\$8,043,612
Convention Center Bond Fund			
Revenue Bonds	4,511,778	4,647,211	4,589,988
Other Debt Service	54,676	52,789	53,012
Total	\$4,566,454	\$4,700,000	\$4,643,000
Waste Water Utility Fund			
G.O. Bonds	296,806	338,459	367,265
Revenue Bonds	16,296,279	19,268,624	26,123,200
Other Debt Service	871,275	806,917	1,106,535
Total	\$17,464,360	\$20,414,000	\$27,597,000
Water Utility Fund			
G.O. Bonds	156,794	178,799	194,016
Revenue Bonds	16,193,069	17,486,695	20,750,000
Other Debt Service	433,784	765,506	881,000
Total	\$16,783,647	\$18,431,000	\$21,825,016
Parking Enterprise Fund			
Revenue Bonds	16,531,113	19,089,687	16,605,830
Other Debt Service	549,882	531,794	648,173
Total	\$17,080,995	\$19,621,481	\$17,254,003
Loan and Guarantee Enterprise Fund			
Conditional Purchase Agreement	467,475	602,960	595,120
Other Debt Service	49,211	54,618	54,571
Total	\$516,686	\$657,578	\$649,691
Special Fund			
Conditional Purchase Agreement	0	86,131	42,951
Other Debt Service	0	451	236
Total	\$0	\$86,582	\$43,187
Internal Service Fund			
Conditional Purchase Agreement	3,875,233	2,696,603	2,588,338
Other Debt Service	0	8,370	7,721
Total	\$3,875,233	\$2,704,973	\$2,596,059
Total Operating Budget Debt Service	\$140,757,530	\$166,031,819	\$176,911,814

Fiscal 2007

Summary of the Adopted Budget

Budget Process & Related Policies

The City of Baltimore's Budget Process

Operating Budget

City agencies send their anticipated operating budget needs to the Department of Finance.

December

Capital Budget

City agencies send their anticipated capital budget needs to the Planning Commission.

March

The Planning Commission sends its recommended capital budget to the Board of Estimates.

March

The Board of Estimates forwards the proposed capital budget to the Director of Finance and the Board of Finance.

April

The Director of Finance and the Board of Finance forward their recommended capital budget to the Board of Estimates.

The Department of Finance sends its recommended operating budget to the Board of Estimates.

April The Board of Estimates holds hearings on the budget. Agency heads participate. The recommended budget is amended as necessary.

April The Board of Estimates holds a "Taxpayer's Night" for final citizen input before it votes on the budget.

April A majority vote of the Board of Estimates approves the total budget and sends it to the City Council.

May The City Council holds hearings on the total budget. Citizens and agency heads attend.

May The City Council holds a "Taxpayers' Night" for final citizen input before it votes on the budget.

June The City Council votes on the budget and sends it to the Mayor.

June

May approve total budget.

Mayor

May disapprove some items and approve the rest.



July

The adopted budget is monitored through
the City's system of expenditure controls

SUMMARY OF THE ADOPTED BUDGET

The Budget-Making Process

Budget Requests

While Baltimore's fiscal year covers the period July 1 through June 30, the budget making process for the next ensuing year begins during the current fiscal year. Agency heads are provided with budget instructions and guidance for developing agency requests including a proposed funding level and general directions regarding the inclusion of new programs or the elimination of existing programs. During the fall of the current fiscal year, operating budget requests are formally submitted to the Finance Department and capital budget requests are submitted to the Planning Commission.

Review of Operating Budget Requests

The Department of Finance reviews the operating budget requests submitted by City agencies and prepares recommendations to ensure conformity with Citywide goals identified by the Mayor. The department submits recommendations of the Board of Estimates for their review and development of recommendations to the City Council.

Review of Capital Budget Requests

The Planning Commission reviews the capital budget requests submitted by City agencies and makes recommendations to ensure conformity with the first year of the six-year Capital Improvement Program. Agency requests are submitted with Planning Commission recommendations to the Board of Estimates. The Board of Estimates forwards the proposed capital budget to the Director of Finance and Board of Finance. After review their recommendations are forwarded to the Board of Estimates for review and development of recommendations to the City Council.

Board of Estimates Approval of Operating and Capital Budgets

The Board of Estimates conducts formal hearings with the heads of City agencies in regard to operating and capital budget requests. The Board of Estimates prepares a proposed Ordinance of Estimates to be submitted to the City Council. A message from the Mayor, as a member of the Board of Estimates, explains the major emphasis and objectives of the City's budget for the next ensuing fiscal year.

City Council Approval of Operating and Capital Budgets

The City Council conducts public hearings on the Ordinance of Estimates and may reduce or eliminate budget items, but may not increase or add new items. The City Council votes to pass the ordinance either with reductions to appropriations or as submitted. It is then forwarded to the Mayor who may disapprove some items of appropriations while approving the rest, but he may not increase or add budget items.

Ordinance of Estimates

This document is the means by which the City's budget is given legal effect after approval by the Mayor and City Council.

**FISCAL 2006 SUPPLEMENTARY APPROPRIATIONS
A N D
TRANSFER OF APPROPRIATIONS BETWEEN AGENCIES**

Expenditures for each adopted annual budget may not legally exceed appropriations at the agency level. Administratively, the Department of Finance has the authority to transfer appropriations between activities within the same program of an agency. The Board of Estimates has the authority to transfer appropriations between programs within the same agency. Only the City Council can authorize the transfer of appropriations between agencies.

The City Charter permits further appropriations for programs included in the original Ordinance of Estimates made necessary by material changes *in circumstances*, additional appropriations for new programs or grant awards that could not reasonably be anticipated when formulating the original Ordinance of Estimates. These changes require supplemental appropriation ordinances recommended by the Board of Estimates and ordained by the City Council.

I. The Fiscal 2006 Operating Budget was amended with the following supplementals:

Ordinance Number	City Council Bill#	Agency	Amount	Fund	Purpose
05-141	05-0196	Police	\$ 750,000	Federal	To provide funding to underwrite acquisition and installation of enhancements for CCTV Monitoring System.
05-142	05-0197	Police	\$ 4,081,157	Federal	To provide funds for planning, equipment, training, exercises and management and administration to prevent, respond and recover from incidents of terrorism.
05-143	05-0198	Police	\$ 255,614	General	To provide funding for operating the Truancy Center.
05-144	05-0201	MR-Misc. General Expenses	\$ 250,000	General	To provide operating funds for Experience Corps Baltimore.
05-145	05-0202	MR-Misc. General Expenses	\$ 250,000	General	To provide a grant to the Family League of Baltimore City.
05-175	05-0247	Health	\$ 300,000	General	To provide funds for a grant to Baltimore City Healthy Start, Incorporated.
06-208	05-0272	State's Attorney	\$ 1,964,000	General	To provide funds for additional operating expenses.
06-240	05-0293	Police	\$ 1,600,500	Federal	To provide funding for Buffer Zone Protection Program, U.S. Department of Homeland Security.

Ordinance Number	City Council Bill#	Agency	Amount	Fund	Purpose
06-204	06-0319	MR-Civic Promotion	\$ 105,000	General	To provide funds for the "Partnership for Baltimore's Waterfront".
06-238	06-0364	MR-Civic Promotion	\$ 297,500	General	To provide funds for support of the 2006 National Baptist Convention activities to feed the homeless.
06-260	06-0389	MR-Office of Employment Development	\$ 1,190,000	General	To provide funds for the Summer Jobs Program.
06-261	06-0390	MR-Employees' Retirement Contribution	\$ 5,000,000	General	To provide funds to begin paying Other Post Employment Benefit costs (GASB 45).
06-262	06-0391	MR-Misc. General Expense	\$ 412,000	General	To provide matching funds to support the After School Matters II program.
06-263	06-0392	Health	\$ 250,000	General	To provide funding for a buprenorphine drug treatment program.
06-264	06-0393	Library	\$ 250,000	General	To provide funding for the purchase of library books.
06-274	06-0403	MR-Misc. General Expense	\$ 70,000	General	To provide matching funds to support the Ford Foundation Arts Education Initiative.
06-275	06-0404	MR-Misc. General Expense	\$ 5,000,000	General	To provide funds for After School Programs.
06-276	06-0405	Health	\$ 620,000	General	To provide funding for Operation Safe Kids.
06-277	06-0406	Public Works	\$ 440,000	General	To provide additional funding for the purchase of three roll-on/roll- off container trucks <i>for citizen trash</i> drop-off locations.
06-278	06-0407	Health	\$ 300,000	General	To provide funds for HIV/AIDS programming.
06-279	06-0408	MR-Art & Culture	\$ 750,000	General	To provide funds for grants to cultural institutions.

Ordinance Number	City Council Bill#	Agency	Amount	Fund	Purpose
06-281	06-0424	Fire	\$ 1,300,000	General	
					To provide for additional operating expenses.
06-282	06-0425	Fire	\$ 2,100,000	General	
					To provide for additional operating expenses.
06-283	06-0426	Health	\$ 250,000	General	
					To provide for additional operating expenses.
06-284	06-0427	Health	\$ 325,000	General	
					To provide for additional operating expenses.
06-285	06-0428	MR-Art & Culture	\$ 400,000	General	
					To provide funding for the Free Fall Baltimore program.
06-286	06-0429	Police	\$ 1,000,000	General	
					To provide for additional operating expenses.
06-287	06-0430	Police	\$ 10,150,000	General	
					To provide for additional operating expenses.
06-288	06-0431	Police	\$ 125,000	General	
					To provide for additional operating expenses.
06-289	06-0432	Police	\$ 2,125,000	General	
					To provide for additional operating expenses.
06-290	06-0433	Police	\$ 250,000	General	
					To provide for additional operating expenses.
06-291	06-0434	Transportation	\$ 2,500,000	Motor Vehicle	
					To provide for additional operating expenses.

II. The Fiscal 2006 Capital Budget was amended with the following supplementals:

Ordinance Number	City Council Bill #	Agency	Amount	Fund	Purpose
05-163	05-0199	Transportation	\$ 4,615,000	Federal	To provide funding for the Charles Street Streetscape project.
05-164	05-0200	Transportation	\$ 4,000,000	Parking Enterprise	To provide funding for the acquisition and installation of multi-space parking meters.

Ordinance Number	City Council Bill #	Agency	Amount	Fund	<u>Purpose</u>
06-180	05-0235	Housing & Community Development	\$ 10,000,000	General	To promote economically diverse housing in City neighborhoods, and to increase housing opportunities for working families and other persons of low and moderate income.
05-158	05-0236	Finance	\$305,000,000	Loan	To provide for the development of a minimum 750-room, full service, convention-oriented headquarters hotel on site adjacent to the Baltimore Convention Center.
05-168	05-0250	Public Works	\$ 662,871 \$ 101,650 \$ 35,822 \$ 76,657	General Motor Vehicle Waste Water Water Utility	To provide funding for fuel system upgrade.
05-176	05-0266	Public Works	\$ 3,000,000	General	To provide funding for improving school facilities maintenance.
05-177	05-0267	Transportation	\$ 425,000	General	To provide funding for the Inner Harbor Dredging project.
06-213	06-0311	Mayoralty	\$ 250,000	General	To provide funding for the Babe Ruth House and Museum renovation project.
06-216	06-0331	Housing & Community Development	\$ 3,000,000	Loan	To provide funding for infrastructure improvements in support of the East Baltimore Biotechnology project.
06-237	06-0363	Finance	\$ 3,500,000	General	To provide funding for the purchase of a human resources/payroll system.
06-258	06-0387	Housing & Community Development	\$ 6,000,000	General	To provide funding for the implementation of the Park Heights Master Plan.
06-259	06-0388	Library	\$ 1,000,000 '	General	To provide additional funds for the library branch capital needs.
06-265	06-0394	Mayoralty	\$ 3,000,000	General	To provide funding for the CCTV Camera Program.
06-266	06-0395	Public Works	\$ 1,000,000	General	To provide funding for fleet replacement.

Ordinance Number	City Council Bill#	Agency	Amount	Fund	Purpose
06-267	06-0396		\$ 3,000,000	General	
		Housing & Community Development			To provide additional funding for demolition in the East Baltimore Development Incorporated area.
06-268	06-0397		\$ 25,000,000	General	
		Baltimore City Public School			To provide funding for school construction and renovation projects.
06-269	06-0398		\$ 500,000	General	
		Recreation & Parks			To provide funding for capital improvements at the Forest Park Municipal Golf Course.
06-270	06-0399		\$ 1,000,000	General	
		Housing & Community Development			To provide funding for the Healthy Neighborhoods Initiative.
06-271	06-0400		\$ 1,000,000	General	
		Housing & Community Development			To provide funding for Housing and Community Development demolition projects.
06-272	06-0401		\$ 800,000	General	
		Mayoralty			To provide funding for capital improvements of public markets.
06-273	06-0402		\$ 1,100,000	General	
		Mayoralty			To provide additional funds for the ZETA Senior Center
06-280	06-0409		\$ 1,000,000	General	
		Housing & Community Development			To provide funding for the Coppin State/Lutheran Hospital demolition project.

HL. The Fiscal 2006 Budget was amended with the following transfer of appropriations:

Ordinance Number	City Council Bill #	Transfer From	Transfer To	Amount	Purpose
05-146	05-0203	Public Works	Baltimore City Public Schools	\$2,000,000	To fund Highlandtown Elementary School #237 capital project.
05-147	05-0204	Public Works	Baltimore City Public Schools	\$ 850,000	To fund Liberty Elementary School #064 capital project.
05-148	05-0205	Public Works	Baltimore City Public Schools	\$1,375,000	To fund Franklin Elementary School #95 capital project.

Ordinance Number	City Council Bill #	Transfer From	Transfer To	Amount	Purpose
05-149	05-0206	Public Works	Baltimore City Public Schools	\$1,700,000	To fund Samuel Coleridge Taylor Elementary School #122 capital project.
05-150	05-0207	Public Works	Baltimore City Public Schools	\$1,000,000	To fund Violetville Elementary School #226 capital project.
05-151	05-0208	Public Works ▪ Schools	Baltimore City Public Schools	\$2,085,000	To fund the Coldstream Park Elementary - Middle School #3 1 capital project.
05-152	05-0209	Public Works	Baltimore City Public Schools	\$ 500,000	To fund the Tench Tilghman Elementary School #13 capital project.
05-153	05-0210	Public Works	Baltimore City Public Schools	\$1,633,000	To fund the Pimlico Middle School #222 capital project.
05-154	05-0211	Public Works	Baltimore City Public Schools	\$4,867,000	To provide funding for City School System – Systemics Program project.
05-155	05-0212	Public Works	Baltimore City Public Schools	\$ 500,000	To fund the School Construction Environmental Abatement project.
05-156	05-0213	Public Works	Baltimore City Public Schools	\$2,575,000	To fund the Northwestern High School #401 capital project.

SUMMARY OF THE ADOPTED BUDGET

Budgetary and Accounting Basis

BUDGETARY BASIS

Budgetary Basis

Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP), except that (a) encumbrances are considered to be expenditures chargeable to appropriations and carried over from year-to-year; (b) no depreciation is budgeted in enterprise funds; (c) investments in supply inventories and assets restricted for self-insurance purposes are not considered to be appropriable; and, (d) revenues accruing to sinking funds are not appropriable. Unencumbered appropriations lapse at the close of the fiscal year unless authorized by the Board of Estimates to be carried forward to the subsequent budget year.

Budgetary Units

Annual appropriations authorized by City Council in the Ordinance of Estimates are by Agency/Operating Department, program and fund. Budget presentation is similar but also presents each program by object of expense. The budget provides a myriad of schedules and exhibits that provide summary and detail information from a fund, agency, and program perspective.

- Agencies/Operating Departments represent the major unit of the operating and capital budget plans and are further divided in to sub-units or bureaus, and divisions.
- Programs represent specific service/support areas within an agency/department and/or bureau. Budget presentations of programs summarize expenditures by object of expense, program units called activities, and by fund.

Revenues and Expenditures

Revenues are detailed by fund type (General, grant funds including federal, State and private source grants, and Enterprise), and by various revenue categories and sources. Information provided in the revenue detail for funds other than the grant funds, includes the prior year actual, the current year budget, current year projection, and the estimate for the budget year under consideration.

Expenditures are summarized by fund source for each agency. Programs within the agency are summarized by object of expense by program units called activities, and by fund sources. Each presentation includes the prior year actual expense, the current year budget, and the budget year request by the agency and the budget year recommendations.

Relationship Between Budgeting and Accounting

The major differences between the budget presentation and GAAP for governmental funds are: (a) encumbrances are recorded as expenditures (GAAP) as opposed to a reservation of fund balance (budget); (b) certain revenues and expenses, (e.g., compensated absences) not recognized for budgetary purposes are accrued (GAAP); (c) self-insurance contributions are recognized as expenditures for budget purposes only. Enterprise Fund differences consist of the following: (a) encumbrances are recorded as expenditures (GAAP) as opposed to an expense of the following accounting period (budget); (b) certain items, e.g., principal expense and capital outlay, are recorded

as expenditures for budgetary purposes as opposed to adjustments of the appropriate balance sheet accounts (GAAP); and, (c) depreciation is recorded as an expense (GAAP) and not recognized for budgetary purposes.

Fund Structure

General Fund - The General Fund is the general operating fund of the City. It is supported by locally generated revenues and some State Aid. It is used to account for all activities of the City not accounted for in some other fund.

Special Funds - Special Funds are used to account for all funding groups that have legally restricted or dedicated uses. These include federal or State grants, State-shared motor vehicle or highway user revenue and grants from private or other non-governmental sources.

Enterprise Funds - The Enterprise Funds are used to account for operations, including debt service that are financed and operated as an ongoing concern where costs of providing services are financed or recovered primarily through user charges. Enterprise Funds included in the City budget are Water and Waste Water, Parking Enterprise, and Loan and Guarantee funds.

ACCOUNTING BASIS

Organization

The City's accounting system is organized and operated on the basis of funds and account groups, each of which is considered a separate accounting entity. The accounting and financial reporting policies of the City conform to generally accepted accounting principles and standards as promulgated by the Governmental Accounting Standards Board and the American Institute of Certified Public Accountants.

General, Debt Service, and Capital Projects

The General, Debt Service and Capital Projects funds are computed on the modified accrual basis of accounting, whereby revenues are recorded when they become both measurable and available to finance expenditures of the current period. Expenditures are recorded when goods and services are received and actual liabilities are incurred and become payable in the current period. Revenues which have been accrued meet tests of materiality and are measurable. They include property taxes collectable within 60 days; locally imposed taxes; state-collected and state-shared taxes; federal, state and other grant and entitlement revenues; and interest earnings. All other revenues are recorded when received.

Enterprise and Internal Service Funds

The accounting basis used for the Enterprise and Internal Service funds is the accrual basis of accounting whereby revenues are recorded at the time they are earned and expenses are recorded when liabilities are incurred.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded to reserve that portion of the applicable appropriation, is employed in the General, Special, and Capital Projects funds. Encumbrances are treated as a reservation of fund balance for these funds.

SUMMARY OF THE ADOPTED BUDGET

Operating and Capital Plan Budgetary Control

OPERATING PLAN

LEVEL OF CONTROL

Budgetary control is maintained at the program level for each operating fund (and at the project level for each capital project), by the encumbrance of estimated purchase or contract amounts prior to the release of purchase orders to vendors. Purchase orders, which result in an overrun of either operating or capital balances, are not released until additional appropriations are made available. In addition, the City has established a program of financial vulnerability assessment to provide ongoing review of internal financial controls.

MECHANISMS

The Bureau of the Budget and Management Research - All purchase requisitions are reviewed for justification and approved for funds by an analyst in the Bureau of the Budget and Management Research. The bureau prepares monthly revenue and expenditure projections to serve as operating guides for policy makers and budget administrators in support of budget monitoring in order to ensure that budgetary shortfalls are not incurred. All purchase requisitions and all items going before the Board of Estimates for contract awards are reviewed for justification and approved for funds by an analyst in the bureau.

CitiStat – Since August 2001, the Mayor's Citstat management team began conducting monthly budgetary performance reviews for all major agencies. Individual agency heads are held accountable for expenditure variances and revenue management and production. Agency and Bureau of the Budget and Management Research projections are analyzed and variances explored.

Mayor's Expenditure Control Committee - All personnel matters, which require Board of Estimates approval must be submitted to the Expenditure Control Committee for review and recommendation prior to submission to the Board of Estimates.

Mayor's Personnel Freeze Committee - When filling a vacant City position, agency heads must seek approval from the Personnel Freeze Committee and receive an approved Employee Action Request (EAR) indicating funds are available to support the hiring of the individual.

Space Utilization Committee – All actions affecting the disposition of property through sales, the leasing of City owned real property and City leasing of property owed by third parties, interdepartmental leases, and the declaration of surplus real property are reviewed by the Committee. Recommendations are developed prior to submission to the Board of Estimates for final action to assure optimum return on real estate transactions.

Board of Estimates Contingent Fund – This account exists to fund emergency and/or unanticipated expenditures. Prior to approval of expenditures from the fund, the Board of Estimates reports to the City Council the circumstances surrounding the request of the expenditure.

APPROPRIATIONS

The adopted budgetary plan is prepared and appropriated on a program basis by fund. The City's Integrated Financial System tracks by program, activity and object level within fund. Purchase orders which result in an overrun of either operating or capital balances are not released until additional appropriations are made available.

CARRYOVERS

Appropriations for a particular program, purpose, activity, or project may, upon the recommendation of the head of the municipal agency concerned and the Director of Finance and with the approval of the Board of Estimates, be carried over to the subsequent fiscal year. Appropriations which are not carried over or utilized for the specified purpose as approved lapse at the end of the fiscal year in which appropriated, except for special funds, i.e., State and federal grants, Water Utility, etc., the balances of which are automatically carried over.

ENCUMBERED FUNDS

Funds encumbered for contracts, purchase orders and capital improvements are carried over to the ensuing fiscal year.

CAPITAL PLAN

DEFINITION

Government accounting standards and the City Charter require that operating revenues and expenses be clearly distinguished from revenues and expenses associated with capital projects (these are the design, development, construction and extraordinary repair and rehabilitation of physical plant and facilities, excluding vehicle acquisitions). The Board of Estimates has defined capital projects as physical betterment or improvements, which cost more than \$50,000, items of repair, maintenance or emergency nature costing more than \$100,000, and Bureau of Water and Waste Water items of repair, maintenance or emergency nature costing more than \$250,000. Physical improvements are not restricted to buildings, but encompass a wide range of projects including street and highway construction, maintenance and improvement of water and sewer systems, community development self-help programs and playground development. In general, capital facilities are considered to have a 15-year useful life. Projects funded in the Capital Budget Plan have been included in the six-year Capital Improvement Plan.

APPROPRIATIONS

A large share of appropriations in the Capital Budget derive from federal grants, State grants, motor vehicle revenues, general obligation bonds, revenue bond proceeds and County grants. County grants pay for a prorated share of water and waste water improvements.

Significant appropriations are derived from the Water Utility and Waste Water Utility funds (these are used to finance the local share of utility improvements), and the proceeds from the sale of surplus City property.

The City embraces a Pay-As-You-Go capital funding policy, which annually finances a portion of capital improvements from current revenues of the General Fund, Motor Vehicle Fund, and Water and Waste Water Utility Funds.

MONITORING

The Capital Accounting Section of the Bureau of Accounting and Payroll Services manages an automated system which checks documents and actions creating obligations or charges in capital project accounts against available appropriations. All documents creating shortfalls are returned to agencies for corrective actions. In addition, the Section reviews Board of Estimates actions, extra work orders and other actions to determine impact on project balances. In the field agencies all ongoing capital projects are monitored on a continuous basis by assigned project engineers who are responsible for construction oversight to prevent project delays and overruns, as well as, to ensure compliance with project approval procedures and appropriation limits.

Periodic surveys are conducted to assess the physical condition of facilities in the City's inventory. Those facilities in need of improvements are considered in a subsequent Capital Improvement Program along with other City priorities for funding in a future year. Particular attention is directed in the capital plan to infrastructure rehabilitation, facilities modernization and equipment acquisition.

INTEGRATED FINANCIAL SYSTEM

The Department of Finance has an integrated financial management system, which links capital planning and the accounting function. This system supports the monitoring activity described above. This system allows a careful tracking of authorized charges to the various projects and comparison to detailed project cost estimates. The system also assures the integrity of project payments to consultants and contractors.

COST CONTROL

Value engineering standards and techniques are applied to control costs in the design and project scope development phases, as well as, to anticipate and resolve project problems early. The Board of Estimates must approve all costs which would exceed any funding previously approved by the Board for the project.

SUMMARY OF THE ADOPTED BUDGET

Budgetary Authority and Process

Excerpts from The Charter of Baltimore City (1996 Edition) relative to the budget process and Ordinance of Estimates

ARTICLE VI

BOARD OF ESTIMATES

1. BOARD OF ESTIMATES - ORGANIZATION.

(a) There shall be a Board of Estimates composed of the Mayor, President of the City Council, Comptroller, City Solicitor, and Director of Public Works, none of whom shall receive any additional salary as members of the Board. The President of the City Council shall be President of the Board, and one of the members shall act as Secretary. The Board may employ such employees as may be necessary to discharge its duties; their number and compensation shall be fixed in the Ordinance of Estimates.

(b) The first meeting of the Board in every year shall be called by notice from the Mayor or President of the City Council personally served upon members of the Board. Subsequent meetings shall be called as the Board may direct.

(c) If a member is unable to attend a Board meeting, that member's representative, as designated in the Charter, may attend and exercise the powers of the member. The Mayor may designate a municipal officer or member of the Mayor's personal staff to represent the Mayor and exercise the Mayor's power at Board meetings in the Mayor's absence.

2. BOARD OF ESTIMATES - DUTIES AND POWERS.

The Board of Estimates shall formulate and execute the fiscal policy of the City to the extent, and in the manner provided for, in the Charter. To exercise its powers and perform its duties, the Board may promulgate rules and regulations and summon before it the heads of departments, bureaus or divisions, municipal officers, and members of commissions and boards.

3. ORDINANCE OF ESTIMATES - FISCAL YEAR; SUBMISSION AND ADOPTION DATES.

(a) The fiscal, budget, and accounting year of the City shall begin on the first day of July and end on the thirtieth day of June in every year unless otherwise provided by law.

(b) At least thirty days prior to the adoption by the Board of Estimates of a proposed Ordinance of Estimates the Board shall make public the Director of Finance's recommended operating budget, the Planning Commission's recommended capital budget and long-range capital improvement program, and the reports of the Director of Finance and Planning Commission on these

documents. Thereafter, the Board shall hold public hearings at which members of the City Council, heads of municipal agencies, and citizens shall have the opportunity to appear before the Board to speak for or against the inclusion of any appropriation in the proposed Ordinance of Estimates.

(c) The Board of Estimates shall submit to the City Council the proposed Ordinance of Estimates for the next fiscal year at least forty-five days before the beginning of that fiscal year.

(d) The City Council shall have at least forty days after receipt of the Board's proposed Ordinance of Estimates to enact an Ordinance of Estimates. The City Council shall adopt an Ordinance of Estimates at least five days prior to the beginning of the fiscal year to which it is applicable if the Board of Estimates submits its proposed Ordinance of Estimates within the period prescribed by Section 3(c).

4. ORDINANCE OF ESTIMATES - THE ROLES OF THE DEPARTMENT OF FINANCE AND THE PLANNING COMMISSION.

To assist the Board of Estimates in the preparation of the proposed Ordinance of Estimates:

(a) The Director of Finance shall submit for the consideration of the Board a recommended operating budget, which shall include the estimates submitted by the municipal agencies for the next fiscal year, the recommendations of the Director of Finance thereon, and all other estimates for appropriations to be made in the next fiscal year, other than for capital improvements; provided, however, the estimates for the Fire Department shall include such amounts, if any, as may be determined by a final decision of a Board of Arbitration convened to arbitrate unresolved negotiations between the City and the certified employee organizations representing the fire fighters and fire officers, as prescribed by existing Section 53 of Article VII.

(b) The Planning Commission shall submit for the consideration of the Board a recommended capital budget, a recommended long-range capital improvement program, and a report on both. The Director and Board of Finance shall review the recommended capital budget and program, and make a report and recommendations about both to the Board of Estimates.

5. BOARD OF ESTIMATES - PREPARATION OF PROPOSED ORDINANCE OF ESTIMATES.

(a) After receiving the recommendations of the Department of Finance and the Planning Commission, the Board shall prepare its proposed Ordinance of Estimates, which shall consist of:

(1) an operating budget: estimates for the next fiscal year of the appropriations needed for the operation of each municipal agency and for all other purposes, other than for capital improvements. These estimates shall state the amounts needed by every municipal agency for each particular program, purpose, activity, or project and the source of funds, if other than general funds, for each.

(2) a capital budget: estimates of the amounts to be appropriated to each municipal agency for capital improvements in the next fiscal year. The capital budget proposed by the Board also shall include the projects that the Board includes in the first year of its long-range capital improvement program and the source of funds for all capital improvements. However, no capital project shall be included in the capital budget portion of the proposed Ordinance of Estimates

submitted by the Board of Estimates to the City Council unless the Board has received and considered the reports and recommendations of the Planning Commission, the Director of Finance, and the Board of Finance with regard to such capital project. The Board of Estimates may establish additional procedures for the development of a long-range capital improvement program and a capital budget.

(b) The Board may include annually in the proposed Ordinance of Estimates a sum up to one million dollars (\$1,000,000.00) of the general fund appropriations to be used during the next fiscal year as a contingent fund in case of an emergency or necessity for the expenditure of money in excess of or other than the appropriations regularly passed for any municipal agency. At least one week before it approves a contingent fund expenditure, the Board shall report to the City Council the reasons for the expenditure.

6. BOARD OF ESTIMATES - ADOPTION OF PROPOSED ORDINANCE OF ESTIMATES.

(a) After the public notice and hearings prescribed by Section 3(b), the Board shall adopt a proposed Ordinance of Estimates by a majority vote of all the members. The Board shall deliver the proposed Ordinance of Estimates to the President of the City Council and contemporaneously publish a copy of the proposed ordinance in two daily newspapers in Baltimore City.

(b) The proposed Ordinance of Estimates that the Board submits to the City Council shall be accompanied by the following materials:

(1) a breakdown of the amounts stated for each program, purpose, activity, or project of each municipal agency in the proposed operating budget by standard categories of expenditure, for (a) personal services, (b) materials, supplies, and equipment, (c) debt service, and (d) such other categories as the Board of Estimates may deem advisable. The personal services category shall include the compensation of every officer and salaried employee of the City; provided, however, that the salaries for employees in the same classification who have a uniform salary or salary range may be combined into a single entry, which shall indicate the number of such employees, their aggregate salaries, and the name or title of the classification.

(2) a comparison by standard categories of expenditures of the appropriations contained in the proposed operating budget with (a) the amounts requested by the municipal agencies in their budget submissions (b) the amounts appropriated for the current fiscal year and (c) the amounts expended in the prior fiscal year;

(3) detailed information about the sources of funds to meet the aggregate total of the appropriations contained in the proposed Ordinance of Estimates;

(4) the long-range capital improvement program adopted by the Board and for each capital project included in the capital budget, the following: a brief description and location, the total estimated cost, the appropriations authorized to date, the appropriations proposed for the next fiscal year, the appropriations required thereafter to complete the project, and the estimated additional annual maintenance and operation cost.

(5) a statement setting out:

(a) the revenues which the City can reasonably expect to receive in the next fiscal year from all existing sources of revenue at existing rates other than the full rate property tax but including amounts believed to be collectible from taxes for prior years and including an estimate of the surplus expected at the end of the current fiscal year;

(b) the difference between the revenues expected under (a) above and the total amount of appropriations provided in the proposed Ordinance of Estimates;

(c) the estimated taxable basis for the next ensuing fiscal year for the levy of full rate property taxes;

(d) the rate for the levy of full rate property taxes which, given the revenues expected under (a) above, the total appropriations in the proposed Ordinance of Estimates, and the taxable basis, will be necessary to raise sufficient total revenues to cover total anticipated expenditures;

(e) new sources of revenue or new rates on existing sources of revenue, and the amounts which can reasonably be expected from each of them, which the Board of Estimates believes should be adopted for the next fiscal year; also the rate for the levy of full rate property taxes which, in view of such new sources of revenue or new rates on existing sources of revenue, will be necessary to bring total expected revenues for the next fiscal year into balance with total anticipated expenditures for the year;

(6) a message from the Mayor explaining the major emphasis and objectives of the City's budget for the next fiscal year;

(7) such other information as the Board of Estimates may deem advisable. 7.

CITY COUNCIL - ENACTMENT OF ORDINANCE OF ESTIMATES.

(a) Upon receipt of the proposed Ordinance of Estimates and the accompanying materials, the President of the City Council shall promptly cause it to be introduced in the City Council, and the Council shall thereafter hold public hearings on the proposed Ordinance of Estimates. By a majority vote of its members, the City Council may reduce or eliminate any of the amounts in the proposed Ordinance of Estimates, except: (1) amounts fixed by law; (2) amounts for the Fire Department established by a Board of Arbitration and included in the proposed Ordinance of Estimates; and (3) amounts for the payment of the interest and principal of the municipal debt.

(b) The City Council shall not have the power to increase the amounts fixed by the Board or to insert any amount for any new purpose in the proposed Ordinance of Estimates. If the carrying out of a particular program, purpose, activity, or project depends upon action by a body other than the City, the City Council may insert a specific provision in the proposed Ordinance of Estimates making the appropriation for the particular program, purpose, activity or project contingent upon such action.

(c) As soon as practicable after the passage of the Ordinance of Estimates, the City Council shall enact such revenue ordinances as are necessary to produce sufficient expected revenues, as estimated by the Board of Estimates, to cover the total anticipated expenditures authorized by the Ordinance of Estimates. The Council may adopt revenue sources or revenue rates other than those proposed by the Board and in each such instance the estimate of the revenue to be yielded by such a source or rate shall be made by the Board of Estimates. The Board of Estimates shall, taking into account any reductions and eliminations made by the City Council in the anticipated expenditures contained in the proposed Ordinance of Estimates and the revenues to be derived from all existing sources and from any new sources or new rates enacted by the City Council, certify to the Council the difference between the anticipated expenditures for the next fiscal year contained in the Ordinance of Estimates and all expected revenues other than from the full rate property tax. The Board shall then state a rate for the levy of full rate property taxes sufficient to realize the amount required to meet the said difference and the ordinance making the annual levy of full rate property taxes shall fix a rate not less than that stated by the Board so that it shall not be necessary at any time for the City to create a floating debt to meet any deficiency, and it shall not be lawful for the City to create a floating debt for any such purpose.

8. ORDINANCE OF ESTIMATES - DEFICIENCIES AND SUPPLEMENTARY APPROPRIATIONS.

(a) No temporary loan shall be authorized or made to pay any deficiency arising from a failure to realize sufficient income from all sources to meet the amounts provided in the Ordinance of Estimates, but the City may temporarily borrow money for its use in anticipation of the receipts of taxes levied for any year. In case of any such deficiency the Board of Estimates shall effect reductions (which need not be pro rata) in appropriations other than those for the payment of the principal and interest of the City debt and such amounts as are fixed by law and contained in the Ordinance of Estimates, except to the extent that the City Council shall, upon the recommendation of the Board of Estimates, enact an ordinance which shall supply revenues to meet all or any part of such deficiency. No emergency loan shall be made except in accordance with the provisions of Article XI of the Constitution of Maryland.

(b) Except as provided herein, the Ordinance of Estimates shall include all the moneys to be appropriated by the City for all purposes for the fiscal year for which the ordinance is applicable. Additional appropriations shall be permitted during the fiscal year only in the following circumstances and under the following conditions:

(1) revenues from any source other than the full rate property tax and other taxes imposed under the authority of Article II, in excess of or in addition to those relied upon by the Board of Estimates in determining the tax levy required to balance the budget, may be made available for expenditure by the municipal agency responsible for the production of such revenues by a supplementary appropriation ordinance recommended to the City Council by the Board of Estimates, duly passed by the City Council by a majority vote of its members and approved by the Mayor.

(2) grants from private or governmental sources which could not be expected with reasonable certainty at the time of the formulation of the proposed Ordinance of Estimates may be made available to the appropriate municipal agency for expenditure by a supplementary

appropriation ordinance recommended to the City Council by the Board of Estimates, duly passed by the City Council by a majority vote of its members and approved by the Mayor.

(3) further appropriations for programs included in the proposed Ordinance of Estimates made necessary by a material change in circumstances, or additional appropriations for new programs which could not reasonably be anticipated at the time of the formulation of the proposed Ordinance of Estimates may be made available to the appropriate municipal agency for expenditure by a supplementary appropriation ordinance recommended to the City Council by the Board of Estimates, duly passed by the City Council by a vote of three-fourths of its members and approved by the Mayor.

(c) Every such further or additional appropriation shall be embodied in a separate ordinance limited to a single program, purpose, activity or project therein stated, and each such supplementary appropriation ordinance shall also, anything contained in the Charter to the contrary notwithstanding, provide the revenue necessary to pay the appropriation by a source, other than the full rate property tax, imposed under the authority of Article II. The revenue shall be levied and collected as directed in the ordinance. The estimate of the revenues to be derived from any source proposed in a supplementary appropriation ordinance shall be made by the Board of Estimates.

9. ORDINANCE OF ESTIMATES - USES OF APPROPRIATIONS.

(a) Following the passage of the Ordinance of Estimates and the enactment of the revenue measures necessary to achieve a balance between expected revenues and anticipated expenditures for the next fiscal year, the sums contained in the Ordinance of Estimates shall, after the beginning of the fiscal year to which it is applicable, be and become appropriated for the purposes therein named. No appropriation provided for in the Ordinance of Estimates shall be used for any purpose other than that named in that ordinance, except: (1) the Board of Estimates may increase the amount for a particular program, purpose, activity, or project or introduce an amount for a new program, purpose, activity or project by transferring thereto amounts already appropriated to that agency; and (2) upon the recommendation of the Board of Estimates, the City Council by ordinance may authorize the transfer of an appropriation contained in the Ordinance of Estimates from one municipal agency to another municipal agency; provided, however, that new or different amounts for capital projects from those stated in the capital budget portion of the Ordinance of Estimates shall not be authorized unless the Board of Estimates has received and considered the reports and recommendations thereon of the Planning Commission and the Director of Finance.

(b) Upon the authorization of the Board of Estimates and under procedures established by the Board, the Director of Finance shall establish an expenditure schedule, applicable to any or all municipal agencies whenever, in the opinion of the Board, financial conditions warrant such budgetary allotments.

(c) Appropriations contained in the Ordinance of Estimates for a particular program, purpose, activity, or project may, upon the recommendation of the head of the municipal agency concerned and the Director of Finance, and with the approval of the Board of Estimates, be carried over to fiscal years subsequent to the one for which the appropriation is initially made if necessary to accomplish that program, purpose, activity, or project. Funds encumbered for contracts, projects or other actual commitments and funds dedicated by any act of Congress or by State law or by the terms of any private grant to some specific purpose shall be carried over to the next fiscal year. All

appropriations not so carried over shall lapse at the end of the fiscal year from which made, except that any balance remaining in the fund of the water or sanitary wastewater utility (under Section 18 of this article) at the end of the fiscal year shall remain to the credit of that utility and an estimate of such a balance shall be included in that utility's budget for the next year as an estimated receipt.

(d) In case of any surplus arising in any fiscal year by reason of an excess of revenue over the expenditures (including any appropriation carried over) for such year, the surplus shall become a part of the general revenue of the City and shall be available for the general expenditures of the City for the next fiscal year, in accordance with the Ordinance of Estimates for that year. An estimate of such surplus shall be made by the Board of Estimates and included in expected revenues for the next year. However any surplus or retained earnings of the water or sanitary wastewater utility fund (under Section 18 of this article) at the end of the fiscal year shall remain to the credit of that utility and the estimate of such a balance shall be included in that utility's budget for the next year as an estimated receipt.

(e) Except for the funds of the water or sanitary wastewater utilities, if at the end of any fiscal year it is determined that there is any surplus in excess of the amount included in expected revenues for the next fiscal year and such amount exceeds 1% of the general fund operating budget adopted for the next fiscal year and such amount does not include any appropriation carried forward from the prior fiscal year, the excess of such general fund surplus over 1% of the operating budget shall be credited to an account known as the "Capital Bond Fund Appropriation Reduction Account". Funds in this account shall be allocated and paid by order of the Board of Finance for the purpose of substituting for a like amount of general obligation bond funds for which appropriations have been previously made by the Mayor and City Council; to the extent that funds from the capital bond fund appropriation reduction account are utilized, the authorized amount of general obligation bonds shall be automatically reduced. In determining the application of such funds the Board of Finance shall be guided by the conditions of the bond market and the financial interests of the City of Baltimore. Funds in the capital bond fund appropriation reduction account not utilized in the first year in which they are identified shall be carried forward at the end of the fiscal year to be used for the purpose of substituting for general obligation bond funds at the earliest practical time. Such funds shall be utilized only for the purpose for which the bond funds were appropriated and may not be transferred directly or indirectly to any other purpose. Surplus funds exceeding the amount used in the revenue estimates for the succeeding year but not in excess of 1% of the current general fund operating budget may be utilized by the Board of Estimates to reduce the tax rate requirements for the next fiscal year or to constitute a source of funds for supplemental appropriations recommended to the City Council pursuant to the provisions of this subsection.

ARTICLE VII

EXECUTIVE DEPARTMENTS

DEPARTMENT OF FINANCE

5. DEPARTMENT OF FINANCE - ORGANIZATION ESTABLISHED.

There is a Department of Finance, the head of which shall be the Director of Finance.

6. DEPARTMENT OF FINANCE - DIRECTOR.

(a) The Director of Finance shall supervise and direct the Department. The Director shall have substantial experience in financial administration.

(b) The Director shall be appointed, must be confirmed, and shall serve, pursuant to Article IV, Section 6.

(c) The Director's salary shall be set in the Ordinance of Estimates.

7. DEPARTMENT OF FINANCE - DEPUTY DIRECTOR AND EMPLOYEES.

(a) The Director shall appoint a Deputy Director of Finance pursuant to this section.

(b) Whenever a vacancy shall occur in the office of Director, or whenever the Director shall be incapacitated or otherwise unavailable for duty for any cause, the Deputy Director appointed pursuant to this pursuant to this section shall be the Acting Director.

(c) The Director may appoint such other employees as provided in the Ordinance of Estimates.

POWERS AND DUTIES OF THE DEPARTMENT

8. DEPARTMENT OF FINANCE - BUDGET PREPARATION.

In accordance with rules established by the Board of Estimates, the Department shall prepare the preliminary operating budget for the consideration of the Board of Estimates, shall make reports and recommendations on the capital budget and capital improvement program, and shall otherwise participate in the making of the proposed Ordinance of Estimates.

9. DEPARTMENT OF FINANCE - BUDGET ADMINISTRATION.

Under the direction of the Board of Estimates, the Director shall implement the Ordinance of Estimates. In the interest of economy and efficiency, the Director shall survey the administration and organization of municipal agencies to support the Director's recommendations to the Board of Estimates on the budget requests of the agencies and the Director's reports to the Mayor on measures which might be taken to improve the organization and administration of City government.

Fiscal 2007
Summary of the Adopted Budget

Appendix

BALTIMORE PROFILE

GENERAL CITY INFORMATION

Baltimore City was founded on July 30, 1729. Incorporated in 1797 Baltimore City became independent from Baltimore County in 1851. Geographically, the City is well positioned between Washington, D.C. and New York City along the Interstate 95 corridor. Baltimore-Washington International Thurgood Marshall Airport, Amtrak and MARC train service and Light and Metro Rail ease transportation of people and freight.

Baltimore City has a total area of 92.1 square miles (238.5 sq. km) and 12.3% is water. According to the 2000 Census, Baltimore City has a population of 651,154 and a population density of 8,059 people per square mile. The average annual precipitation is 43.6 inches and average yearly temperature is 59.3° F. January is the coldest month and July the warmest.

Baltimore City has an inventory of more than 7,500 hotel rooms. The Baltimore City Convention Center has 300,000 square feet of exhibit halls and 85,000 square feet of meeting rooms. The professional baseball team Baltimore Orioles and the professional football team Baltimore Ravens call Baltimore City home.

LARGEST PRIVATE SECTOR EMPLOYERS WITH HEADQUARTERS IN THE CITY

	<u>Rank</u>		<u>Rank</u>
Johns Hopkins University		Constellation Energy Group, Inc.	6
Johns Hopkins Health System	2	T. Rowe Price Group, Inc.	7
Univ. of Maryland Medical System	3	Mercy Health Service, Inc.	8
LifeBridge Health	4	Kennedy Krieger Institute	9
Verizon Maryland, Inc.	5	Legg Mason, Inc.	10

MOST POPULAR TOURIST ATTRACTIONS

	<u>Visitors per Year</u>		<u>Visitors per Year</u>
Harborplace and The Gallery	13.0 Million	National Aquarium in Baltimore	1.6 Million
The Power Plant	7.7 Million	Pimlico Race Course	1.2 Million
Lexington Market, Inc.	3.9 Million	1st Mariner Arena	800,000
Power Plant Live!	2.8 Million	Maryland Science Center	700,000
Oriole Park at Camden Yards	2.6 Million	M & T Bank Stadium	559,000

COLLEGES AND UNIVERSITIES

Baltimore City Community College	Maryland Institute College of Art
Baltimore International Culinary	Morgan State University
College Baltimore Hebrew University	Peabody Conservatory of Music
College of Notre Dame	Sojourner-Douglass College
Coppin State College	University of Baltimore
Johns Hopkins University	University of Maryland at Baltimore
Loyola College	

MAJOR AGENCIES CITY STATISTICS SELECTED

<u>Enoch Pratt Public Library</u>	
Budgeted Positions	418
Volumes (millions)	2.2
Circulation (millions)	1.8
Attendance (millions)	1.4
Reference Questions Answered (millions)	1.6
Web Site Hits (millions)	485
Branches	22
Book Mobiles	2

<u>Fire</u>	
Budgeted positions	1,743
Fire Stations	39
Fire Hydrants	9,090
Pieces of Equipment	84
Medical Emergency Responses	159,660
Fire & Public Safety Responses	126,942

<u>Health</u>	
Budgeted Positions	671
Health Centers/Clinics	14
Prenatal Visits	3,893
Reproductive Care Services Users	9,717
HIV Screening & Testing	22,863
Inspection of Food Establishments	11,057

<u>Transportation</u>	
Budgeted Positions	1,574
Roadways (miles)	2,000
Sidewalks (miles)	3,600
Alleys (miles)	456
Parking Meters (coin-op/multi-space)	10,106 / 70
Parking Facility Spaces	8,747
Street Lights	72,000

<u>Police</u>	
Budgeted Positions	3,937
Police Stations	9
Calls for Services (millions)	1.9
Arrests	95,053
Police Athletic League Centers	18

<u>Public Works</u>	
Budgeted Positions	3,428
Water & Waste Water	
Water Customers (millions)	1.8
Water Lines (miles)	3,500
Storm Drain (miles)	1,080
Sanitary Sewer (miles)	1,340
Solid Waste	
Residential Solid Waste Customers	205,000

<u>Housing & Community Development</u>	
Budgeted Positions	541
Demolition of Vacant Units	284
Multiple Family Dwellings	5,875
Rental Units	11,594
Dwelling Units	83,527

<u>Recreation & Parks</u>	
Budgeted Positions	364
Recreation Centers	46
Park Acreage	5,827
Tennis Courts	108
Ice Rinks	2
Indoor Soccer Fields	2
Pools and Water Play facilities	43
Rowing Club	1
Conservatory	1
Nature Center	1
Arboretum	1
Skateland Park	1

DEMOGRAPHIC AND ECONOMIC PROFILE AND TRENDS

Population Characteristics	1970	1980	1990	2000
Total Population	905,759	786,775	736,014	651,154
Sex:				
Male	47.2%	46.7%	46.7%	46.6%
Female	52.8%	53.3%	53.3%	53.4%
Age:				
0-4	8.4%	6.7%	8.0%	6.4%
5-19	28.5%	24.2%	19.8%	21.7%
20-44	30.6%	35.8%	41.2%	37.5%
45-64	21.9%	20.5%	17.5%	21.2%
65 and Over	10.6%	12.8%	13.6%	13.2%
Race:				
White	53.0%	43.9%	39.3%	31.6%
Non-White	47.0%	56.1%	60.7%	68.4%

Source: U.S. Census Bureau, Census 2000.

Employment Characteristics	1980	1990	2000	2005
Government	96,395	85,256	83,422	74,913
Services and Other	95,902	148,109	150,872	179,798
Manufacturing	69,516	43,408	27,605	17,811
Retail Trade	66,385	58,564	42,035	NA
Finance, Insurance, & Real Estate	37,921	44,535	32,310	23,404
Transportation, Communications, & Utilities	35,055	24,577	18,637	42,820
Wholesale Trade	26,497	24,977	17,124	NA
Contract Construction	16,851	17,245	13,477	11,167
Other	NA	NA	2,120	67
Total	444,522	446,671	387,602	349,980

Data is not strictly comparable due to the federally mandated change from SIC coding to NAICS coding in industry classifications by MD State which took place first quarter 2001.

Source: Maryland DLLR Employment and Payrolls report

Per Capita Personal Income(Constant 2000\$)	2001	2002	2003	2004
Baltimore City	\$25,390	\$26,250	\$26,170	\$26,932
Maryland	\$34,897	\$35,283	\$35,465	\$36,612
Baltimore City as percent of State	72.8%	74.4%	73.8%	73.6%
United States	\$29,947	\$29,756	\$29,837	\$30,532
Baltimore City as percent of U.S.	84.8%	88.2%	87.7%	88.2%

Source: Data extracts prepared by the Maryland Department of Planning, Planning Data Services, from U.S. BEA, April 2006.

SUMMARY OF THE ADOPTED BUDGET

Glossary

ACTIVITY: A subdivision of a program that specifies how the program is performed. Some programs may be accomplished through the performance of only one activity, while other programs may require the performance of two or more activities.

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 IMPROVEMENT PROGRAM: A six-year plan specifying physical improvements recommended by the Planning Commission after reviewing the requests of City agencies.

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, based on the ComStat program pioneered in the New York City Police Department by Jack Maple. 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.

CLASS: Links a job in ascending level of difficulty within a specific type of work.

CLASSIFICATION: Includes those positions with similar duties, level of difficulties, responsibilities and qualification requirements.

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, Motor Vehicle Fund, Parking Enterprise Fund, Parking Management Fund, Special Fund, Water Utility Fund, and Waste Water Utility Fund.

FUND ADJUSTMENT: Represents an adjustment made to appropriations for permanent full-time salaries and wages when a budgeted position is funded from more than one fund source, e.g. General and Federal Funds.

FUNDING SOURCE: Income received which supports an appropriation.

GRADE OR RATE: The designated salary of a budgeted position according to the City authorized pay plan.

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.

MAJOR GOVERNMENTAL FUNCTION: For purposes of comparison, a group of similar services rendered by various agencies within the City will be segregated together, e.g., Adjudications and Corrections, Economic Development, General Government, Legislative, Public Safety, Social Services, et cetera.

MOTOR VEHICLE FUND: Established to budget for highway user revenues distributed to Baltimore City by the State of Maryland. Funds must be used for the construction, reconstruction, or maintenance of the streets and highways in Baltimore City.

OBJECT OF EXPENDITURE: A group of similar services, commodities, equipment or personnel costs used to clarify spending within the budget. Objects of expenditure identified within Baltimore City's budget are:

Salaries: Payment to personnel for services rendered to the City including overtime; shift differential; sick leave conversion; full-time, part-time and contractual personnel costs.

Other Personnel. Costs: Payment for benefits provided to City personnel. Included are charges to the City for social security, retirement, health plan and prescription drug costs.

Contractual Services: Payment for services rendered to the City under contractual arrangements such as rents and telephone service.

Materials and Supplies: Payment for consumable materials and supplies such as custodial supplies and heating fuel.

Equipment: Payment for replacement or procurement of City property other than real property.

Grants, Subsidies and Contributions: Payment in support of various non-profit, private sector activities which will provide health, welfare, educational, cultural and/or promotional benefits to citizens of Baltimore.

Debt Service: Payments for interest and principal of bonds issued by or on behalf of the City.

Capital Improvements: Payment for the acquisition of real property or improvements made to existing City property.

OPERATING BUDGET: A plan, approved by the Board of Estimates, for appropriating funds to *agencies* for operating costs during the fiscal year. This plan establishes legal expenditure limits and will reflect appropriations budgeted according to programs, sources of funding, and

costs of program operation other than capital improvements, which are over \$50,000, items of repair, maintenance or emergency nature costing more than \$100,000 and Bureau of Water and Waste Water items of repair, maintenance or emergency nature costing more than \$250,000.

OPERATING PROGRAM: The budget categorizes agency expenditures by functions identified through programs. Each program can be divided into smaller organizational units, i.e., activities and sub-activities, but the legal level at which the budget controls expenditures is the operating program.

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.

OUT-OF-TITLE PAY: Compensation received by an employee assigned on a temporary basis, normally not to exceed 120 calendar days, to perform the duties of a permanent budgeted position of a higher class.

OVERTIME: Payments to employees eligible for additional compensation for services rendered after a regularly scheduled work period subject to the provisions of negotiated labor contracts and the federal Fair Labor Standards Act.

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.

POSITIONS: Represents those permanent full and part-time jobs that have a job number assigned.

Permanent Full-Time: Payments to an employee filling a permanent full-time budgeted position for services rendered on a continuing basis.

Permanent Part-Time: Payments to an employee who works less than a full-time schedule on a continuing basis.

PROGRAM CODE: A three digit numeric code used to identify programs or projects within an agency.

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.

SALARY AND WAGE DIFFERENTIAL: Added compensation received by certain employees when regularly assigned to night or shift work and to certain employees when required to work under various hazardous conditions.

SALARY AND WAGE SAVINGS: An adjustment made to appropriations resulting from the number of permanent full-time positions which are either vacant, filled by an employee in a lower pay classification, or through employee turnover within the agency.

SEVERANCE PAY: Payments to permanent full-time and permanent part-time employees for amounts due them for accumulated leave balances to include vacation, personal, sick, et cetera, pursuant to provisions of negotiated labor agreements.

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.

STIPENDS: Payments to participants in certain grant-funded programs for a specific purpose.

SUB-OBJECT OF EXPENDITURE: A subdivision of an object of expenditure in which groups of similar services or related articles are further delineated into more specific types of expenditures.

SUPPLEMENTARY APPROPRIATIONS: Additional spending authority provided by the City Council and approved by the Mayor derived from revenues from any source other than the full rate property tax and other taxes imposed in excess of or in addition to those relied upon by the Board of Estimates in determining the tax levy required to balance the annual Ordinance of Estimates. These appropriations include grants from private or governmental sources which could not be expected with reasonable certainty at the time of the formulation of the proposed Ordinance of Estimates, additional appropriations for programs included in the annual budget made necessary by a material change in circumstances or new programs which could not be reasonably anticipated at the time of formulation of the Ordinance of Estimates.

All such appropriations must be embodied in a separate ordinance limited to a single program, purpose, activity or project and provide the revenue necessary to support the appropriation.

TRANSFERS: Charges or expenditure reimbursements used as follows:

- To reimburse a program for costs which are charged as overhead to special grants.
- To transfer expenditures between funds in order to adjust the amounts derived from various sources for a multi-funded program rather than split each object and sub-object of expenditure.
- To reimburse a program for services rendered where the reimbursement is calculated on a fee basis rather than for specific expenditures.

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.

CITY OF BALTIMORE
ORDINANCE 06 - 2 9 3
Council Bill 06-0416

Introduced by: The Council President

At the request of: The Administration (Department of Finance)

Introduced and read first time: May 1, 2006

Assigned to: Budget and Appropriations Committee and Committee of the Whole

Committee Report: Favorable with amendments

Council action: Adopted

Read second time: June 12, 2006

AN ORDINANCE CONCERNING

1 Ordinance of Estimates for the Fiscal Year Ending June 30, 2007

2 FOR the purpose of providing the appropriations estimated to be needed by each agency of the
3 City of Baltimore for operating programs and capital projects during the fiscal 2007 year.

4 BY authority of
5 Article VI - Board of Estimates
6 Section 3 et seq.
7 Baltimore City Charter (1996 Edition)

8 SECTION 1. **BE** IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE, That the
9 following amounts or so much thereof *as* shall be sufficient are hereby appropriated subject to the
10 provisions hereinafter set forth for the purpose of carrying out the programs included in the
11 operating budget and the projects listed in the capital budget from the amounts estimated to be
12 available in the designated funds during the fiscal year ending June 30, 2007.

13 **A. Operating Budget**

14 Board of Elections

15	180 Voter Registration and Conduct of Elections	
16	General Fund Appropriation	
6,489,267		

17 **City Council**

18	100 City Legislation	
19	General Fund Appropriation	
4,349.801		

20 Community Relations Commission

21	156 Development of Intergroup Relations	
22	General Fund Appropriation	
930,520		
23	Federal Fund Appropriation	
62,210		

Council Bill 06-0416

1	Comptroller			
2	130	Executive Direction and Control		
3		General Fund Appropriation		543,790
4	131	Audits		
5		General Fund Appropriation		3,356,143
6	132	Real Estate Acquisition and Management		
7		General Fund Appropriation		639,250
8		Special Fund Appropriation		125,787
9	Council Services			
10	103	Council Services		
11		General Fund Appropriation		549,607
12	Courts: Circuit Court			
13	110	Circuit Court		
14		General Fund Appropriation		8,626,587
15		Federal Fund Appropriation		1,338,824
16		State Fund Appropriation		4,180,552
17	Courts: Orphans' Court			
18	112	Orphans' Court		
19		General Fund Appropriation		449,154
20	Employees' Retirement Systems			
21	152	Employees' Retirement System		
22		Special Fund Appropriation	\$	4,474,114
23	154	Fire and Police Retirement System		
24		Special Fund Appropriation	\$	2,998,492
25	Enoch Pratt Free Library			
26	450	Administrative and Technical Services		
27		General Fund Appropriation	\$	5,205,836
28		State Fund Appropriation	\$	1,673,760
29		Special Fund Appropriation	\$	530,604
30	452	Neighborhood Services		
31		General Fund Appropriation	\$	9,458,643
32		State Fund Appropriation	\$	86,649
33	453	State Library Resource Center		
34		General Fund Appropriation	\$	7,295,184
35		State Fund Appropriation	\$	8,741,189
36	Finance			
37	140	Administrative Direction and Control		
38		General Fund Appropriation		1,000,191

Council Bill 06-0416

1	141	Budget and Management Research		
2		General Fund Appropriation	\$	1,059,828
3	142	Accounting and Payroll Services		
4		General Fund Appropriation	\$	2,639,067
5		Loan and Guarantee Enterprise Fund Appropriation	\$	3,163,309
6	144	Purchasing		
7		General Fund Appropriation	\$	2,421,210
8	150	Treasury Management		
9		General Fund Appropriation	\$	3,256,046
10	Fire			
11	210	Administrative Direction and Control		
12		General Fund Appropriation	\$	9,375,689
13	211	Training		
14		General Fund Appropriation	\$	2,083,002
15	212	Fire Suppression		
16		General Fund Appropriation	\$	91,130,731
17		Federal Fund Appropriation	\$	7,825,908
18		State Fund Appropriation	\$	50,000
19	213	Fire Marshal		
20		General Fund Appropriation	\$	3,656,159
21		Federal Fund Appropriation	\$	500,000
22		Special Fund Appropriation	\$	10,000
23	214	Support Services		
24		General Fund Appropriation	\$	6,538,391
25		Federal Fund Appropriation	\$	200,000
26		State Fund Appropriation	\$	964,733
27	215	Fire Alarm and Communications		
28		General Fund Appropriation	\$	4,027,840
29		State Fund Appropriation	\$	10,000
30	219	Non-actuarial Retirement Benefits		
31		General Fund Appropriation	\$	135,000
32	319	Ambulance Service		
33		General Fund Appropriation	\$	4,977,996
34		Federal Fund Appropriation	\$	2,150,040
35		State Fund Appropriation	\$	77,000
36		Special Fund Appropriation	\$	11,000,000

Council Bill 06-0416

1	Health			
2	240	Animal Control		
3		General Fund Appropriation		2,420,303
4	300	Administrative Direction and Control		
5		General Fund Appropriation		3,672,494
6	301	Baltimore Homeless Services		
7		General Fund Appropriation	\$	357,962
8		Federal Fund Appropriation.....	\$	22,638,253
9		State Fund Appropriation	\$	3,223,168
10		Special Fund Appropriation	\$	13,383
11	302	Environmental Health		
12		General Fund Appropriation	\$	4,021,961
13		Federal Fund Appropriation	\$	1,228,865
14		State Fund Appropriation.....	\$	299,108
15		Special Fund Appropriation	\$	70,000
16	303	Special Purpose Grants		
17		Special Fund Appropriation	\$	2,000,000
18	304	Health Promotion and Disease Prevention		
19		General Fund Appropriation	\$	4,207,199
20		Federal Fund Appropriation.....	\$	30,225,222
21		State Fund Appropriation	\$	626,817
22	305	Health Services Initiatives		
23		General Fund Appropriation	\$	52,286
24		Federal Fund Appropriation	\$	4,120,662
25		State Fund Appropriation	\$	778,334
26		Special Fund Appropriation	\$	224,578
27	306	General Nursing Services		
28		General Fund Appropriation	\$	995,412
29		Federal Fund Appropriation.....	\$	232,219
30		State Fund Appropriation	\$	9,336,990
31		Special Fund Appropriation	\$	87
32	307	Mental Health Services		
33		General Fund Appropriation	\$	2,049,359
34		Federal Fund Appropriation.....	\$	438,301
35		State Fund Appropriation	\$	1,793,378
36	308	Maternal and Child Health		
37		General Fund Appropriation	\$	1,207,078
38		Federal Fund Appropriation.....	\$	15,494,156
39		State Fund Appropriation	\$	172,739
40		Special Fund Appropriation	\$	820,724

Council Bill 06-0416

1	309 Child and Adult Care - Food		
2	Federal Fund Appropriation		
6,624,963			
3	310 School Health Services		
4	General Fund Appropriation	\$	5,011,169
5	Federal Fund Appropriation	\$	1,073,131
6	State Fund Appropriation	\$	480,144
7	Special Fund Appropriation	\$	6,157,917
8	311 Health Services for the Aging		
9	General Fund Appropriation	\$	486,731
10	Federal Fund Appropriation	\$	29,680,734
11	State Fund Appropriation	\$	1,165,976
12	Special Fund Appropriation	\$	100,000
13 Housing and Community Development			
14	119 Neighborhood Service Centers		
15	General Fund Appropriation		
255,416			
16	Federal Fund Appropriation		
1,496,596			
17	State Fund Appropriation		
2,873,317			
18	177 Administrative Direction and Control		
19	General Fund Appropriation	\$	4,284,314
20	Federal Fund Appropriation	\$	993,512
21	Special Fund Appropriation	\$	304,427
22	184 Energy Assistance and Emergency Food		
23	State Fund Appropriation	\$	2,682,334
24	260 Construction and Building Inspection		
25	General Fund Appropriation	\$	3,174,968
26	Federal Fund Appropriation	\$	572,482
27	Special Fund Appropriation	\$	1,150,000
28	582 Finance and Development		
29	General Fund Appropriation	\$	229,699
30	Federal Fund Appropriation	\$	4,493,116
31	Special Fund Appropriation	\$	130,000
32	583 Neighborhood Services		
33	General Fund Appropriation	\$	9,287,308
34	Federal Fund Appropriation	\$	1,468,018
35	State Fund Appropriation	\$	149,098
36	Special Fund Appropriation	\$	968,678
37	585 Baltimore Development Corporation		
38	General Fund Appropriation	\$	2,975,000

39	Federal Fund Appropriation.....	\$	400,000
40	Special Fund Appropriation	\$	410,000

Council Bill 06-0416

1	592	Special Housing Grants		
2		General Fund Appropriation		350,000
3	593	Community Support Projects		
4		General Fund Appropriation	\$	10,850
5		Federal Fund Appropriation	\$	5,487,000
6	597	Weatherization		
7		General Fund Appropriation	\$	47,250
8		State Fund Appropriation.....	\$	1,288,580
9	604	Child Care Centers		
10		Federal Fund Appropriation	\$	868,532
11	605	Head Start		
12		Federal Fund Appropriation	\$	28,927,246
13		State Fund Appropriation	\$	1,857,833
14	606	Arts and Education		
15		State Fund Appropriation.....	\$	1,595,200
16	Human Resources			
17	160	Personnel Administration		
18		General Fund Appropriation		2,527,173
19	Law			
20	175	Legal Services		
21		General Fund Appropriation		3,167,866
22		Special Fund Appropriation		356
23	Legislative Reference			
24	106	Legislative Reference Services		
25		General Fund Appropriation		518,172
26		Special Fund Appropriation		11,400
27	107	Archives and Records Management		
28		General Fund Appropriation		256,438
29	Liquor License Board			
30	250	Liquor Control		
31		General Fund Appropriation		1,878,889
32	Mayorality			
33	125	Executive Direction and Control		
34		General Fund Appropriation		2,858,955
35	127	Office of State Relations		
36		General Fund Appropriation		582,074

Council BM 06-0416

1	353 Office of Community Projects		
2	General Fund Appropriation	\$	296,835
3	Special Fund Appropriation	\$	140,000
4 M-R: Art and Culture			
5	493 Art and Culture Grants		
6	General Fund Appropriation		
6,932,457			
7	M-R: Baltimore City Public Schools		
8	352 Baltimore City Public Schools		
9	General Fund Appropriation	\$	204,286,795
10	Motor Vehicle Fund Appropriation		
3,654,000			
11	M-R: Cable and Communications		
12	572 Cable, and Communications Coordination		
13	General Fund Appropriation		
413,292			
14	Special Fund Appropriation		
1,890,270			
15	M-R: Civic Promotion		
16	589 Office of Promotion and the Arts		
17	General Fund Appropriation		
1,904,000			
18	590 Civic Promotion		
19	General Fund Appropriation	\$	9,430,864
20	Motor Vehicle Fund Appropriation	\$	300,000
21	M-R: Commission on Aging and Retirement Education		
22	325 Senior Services		
23	General Fund Appropriation	\$	1,111,825
24	Motor Vehicle Fund Appropriation	\$	325,000
25	Federal Fund Appropriation	\$	4,771,405
26	State Fund Appropriation	\$	3,871,909
27	Special Fund Appropriation	\$	448,338
28 M-R: Conditional Purchase Agreements			
29	129 Conditional Purchase Agreement Payments		
30	General Fund Appropriation		
19,451,911			
31	Loan and Guarantee Enterprise Fund Appropriation		
598,691			
32	Special Fund Appropriation		
236			
33 M-R: Contingent Fund			
34	121 Contingent Fund		

35	General Fund Appropriation
750,000	
36 M-R: Convention Complex	
37	531 Convention Center Operations
38	General Fund Appropriation
12,846,502	
39	Convention Center Bond Fund Appropriation.....
4,643,000	
40	State Fund Appropriation
3,000,000	

Council Bill 06-0416

1	540 1st Mariner Arena Operations		
2	General Fund Appropriation		
	450,000		
3	M-R: Debt Service		
4	123 General Debt Service		
5	General Fund Appropriation		
	71,578,778		
6	Motor Vehicle Fund Appropriation		
	8,043,612		
7	M-R: Educational Grants		
8	446 Educational Grants		
9	General Fund Appropriation		
	1,376,556		
10	M-R: Employees' Retirement Contribution		
11	355 Employees' Retirement Contribution		
12	General Fund Appropriation		
	77,635,867		
13	Motor Vehicle Fund Appropriation		
	7,833,000		
14	M-R: Environmental Control Board		
15	117 Environmental Control Board		
16	General Fund Appropriation		
	449,599		
17	M-R: Health and Welfare Grants		
18	385 Health and Welfare Grants		
19	General Fund Appropriation		
	94,683		
20	M-R: Miscellaneous General Expenses		
21	122 Miscellaneous General Expenses		
22	General Fund Appropriation	\$	10,751,231
23	Motor Vehicle Fund Appropriation	\$	1,236,850
24	M-R: Office of Children, Youth and Families		
25	350 Children, Youth and Families		
26	General Fund Appropriation		
	673,572		
27	Federal Fund Appropriation		
	299,224		
28	State Fund Appropriation		
	303,187		
29	M-R: Office of CitiStat Operations		
30	347 CitiStat Operations		
31	General Fund Appropriation		

509,792

32 M-R: Office of Employment Development

33	630 Administration (Title 1)	
34	General Fund Appropriation	
	203,736	
35	Federal Fund Appropriation	
	58,618	
36	631 Job Training Partnership (Titles II/M)	
37	General Fund Appropriation	
	1,022,732	
38	Federal Fund Appropriation	
	10,482,410	

Council Bill 06-0416

1	633	Youth Initiatives		
2		General Fund Appropriation	\$	2,981,494
3		Federal Fund Appropriation	\$	2,000,000
4	639	Special Services		
5		General Fund Appropriation	\$	2,120,157
6		Federal Fund Appropriation	\$	3,503,436
7		State Fund Appropriation	\$	530,896
8	M-R: Office of Information Technology			
9	147	Information Technology Services		
10		General Fund Appropriation		
2,820,280				
11	151	Information Technology Support Services		
12		General Fund Appropriation		
8,457,375				
13	M-R: Office of Neighborhoods			
14	354	Neighborhoods		
15		General Fund Appropriation		
740,730				
16	M-R: Office of the Inspector General			
17	108	Office of the Inspector General		
18		General Fund Appropriation		
632,131				
19	M-R: Office of the Labor Commissioner			
20	128	Labor Relations		
21		General Fund Appropriation		
487,502				
22	M-R: Retirees' Benefits			
23	351	Retirees' Benefits		
24		General Fund Appropriation		
78,925,000				
25		Motor Vehicle Fund Appropriation		
12,558,875				
26	M-R: Self-Insurance Fund			
27	126	Contribution to Self-Insurance Fund		
28		General Fund Appropriation		
9,225,082				
29		Motor Vehicle Fund Appropriation		
2,894,554				
30	M-R: TIF Debt Service			
31	124	TIF Debt Service		
32		General Fund Appropriation		

2,899,236

33 Municipal and Zoning Appeals

34 185 Zoning, Tax and Other Appeals

35 General Fund Appropriation
 388,651

36 Planning

37 187 City Planning

38 General Fund Appropriation
 1,475,244

39 Motor Vehicle Fund Appropriation
 704,035

Council Bill 06-0416

1	Federal Fund Appropriation	1,157,132
2	State Fund Appropriation	140,000

3 Of the amount appropriated for Program 187. \$500.000 shall be withheld for at least 3
4 months and may be expended after that period only if (i) the Department has reported to
5 the City Council on its efforts to allocate and spend capital improvement appropriations
6 among the various Council Districts, and (ii) the City Council has approved the report by
7 Council Resolution.

8	Police		
9	200	Administrative Direction and Control	
10		General Fund Appropriation	31,944,711
11	201	Field Operations Bureau	
12		General Fund Appropriation	\$ 184,776,221
13		Federal Fund Appropriation	\$ 10,287,904
14		State Fund Appropriation	\$ 7,254,216
15	202	Investigations	
16		General Fund Appropriation	\$ 33,718,047
17		Federal Fund Appropriation	\$ 79,660
18		Special Fund Appropriation	\$ 1,235,000
19	203	Traffic	
20		Motor Vehicle Fund Appropriation	\$ 11,902,248
21		State Fund Appropriation.....	\$ 18,000
22	204	Services Bureau	
23		General Fund Appropriation	\$ 26,859,182
24		Special Fund Appropriation	\$ 4,818,018
25	205	Non-actuarial Retirement Benefits	
26		General Fund Appropriation	2,417,620
27	207	Research and Development	
28		General Fund Appropriation	4,784,740
29	224	Office of Criminal Justice	
30		General Fund Appropriation	\$ 1,603,093
31		Federal Fund Appropriation	\$ 9,897,032
32		Special Fund Appropriation	\$ 275,000
33	Public Works		
34	190	Departmental Administration	
35		General Fund Appropriation	1,181,879
36		Motor Vehicle Fund Appropriation	2,769,844
37	191	Permits	
38		General Fund Appropriation	\$ 656,306

39	Motor Vehicle Fund Appropriation	\$	1,847,571
----	--	----	-----------

Council Bill 06-0416

1	193	Facilities Management		
2		General Fund Appropriation		22,489,934
3	198	Engineering/Construction Management		
4		General Fund Appropriation	\$	356,337
5		Motor Vehicle Fund Appropriation	\$	178,926
6	513	Solid Waste Special Services		
7		General Fund Appropriation	\$	4,781,735
8		Motor Vehicle Fund Appropriation	\$	25,474,317
9	515	Solid Waste Collection		
10		General Fund Appropriation	\$	17,748,415
11		Motor Vehicle Fund Appropriation	\$	1,760,661
12		Special Fund Appropriation	\$	1,150,000
13	516	Solid Waste Environmental Services		
14		General Fund Appropriation	\$	21,494,496
15	518	Storm Water Maintenance		
16		Motor Vehicle Fund Appropriation		4,788,700
17	544	Sanitary Maintenance		
18		Waste Water Utility Fund Appropriation.....		16,243,606
19	546	Water Maintenance		
20		Water Utility Fund Appropriation		24,766,528
21	547	Meter Operations		
22		Water Utility Fund Appropriation		3,548,121
23	550	Waste Water Facilities		
24		Waste Water Utility Fund Appropriation.....		88,779,339
25	552	Water Facilities		
26		Water Utility Fund Appropriation		37,984,785
27	553	Water Engineering		
28		Water Utility Fund Appropriation		16,982,892
29	554	Waste Water Engineering		
30		Waste Water Utility Fund Appropriation.....		22,128,302
31	555	Environmental Services		
32		Waste Water Utility Fund Appropriation.....	\$	3,399,298
33		Water Utility Fund Appropriation	\$	513,675
34	560	Facilities Engineering		
35		Waste Water Utility Fund Appropriation.....	\$	359,455
36		Water Utility Fund Appropriation	\$	174,447

Council Bill 06-0416

1	561	Utility Billing		
2		Water Utility Fund Appropriation	\$	9,369,536
3	565	Utility Debt Service		
4		Waste Water Utility Fund Appropriation	\$	27,597,000
5		Water Utility Fund Appropriation	\$	21,825,016
6	Recreation and Parks			
7	471	Administrative Direction and Control		
8		General Fund Appropriation	\$	3,577,938
9		State Fund Appropriation	\$	129,982
10		Special Fund Appropriation	\$	9,000
11	473	Municipal Concerts and Other Musical Events		
12		General Fund Appropriation	\$	' 36,308
13	478	General Park Services		
14		General Fund Appropriation	\$	9,917,464
15		Motor Vehicle Fund Appropriation	\$	400,000
16		State Fund Appropriation	\$	43,997
17	479	Special Facilities		
18		General Fund Appropriation	\$	1,104,979
19		Special Fund Appropriation	\$	146,400
20	480	Regular Recreational Services		
21		General Fund Appropriation	\$	11,001,562
22		State Fund Appropriation	\$	129,000
23		Special Fund Appropriation	\$	433,447
24	482	Supplementary Recreational Services		
25		Special Fund Appropriation		322,494
26	505	Park and Street Trees		
27		Motor Vehicle Fund Appropriation	\$	3,937,049
28	Sheriff			
29	118	Sheriff Services		
30		General Fund Appropriation		11,935,022
31		Federal Fund Appropriation		24,500
32	Social Services			
33	365	Public Assistance		
34		General Fund Appropriation		230,000
35	State's Attorney			
36	115	Prosecution of Criminals		
37		General Fund Appropriation	\$	24,918,056
38		Federal Fund Appropriation	\$	1,566,857
39		State Fund Appropriation	\$	3,829,716
40		Special Fund Appropriation	\$	50,000

Council BM 06-0416

1	Transportation			
2	195	Towing		
3		General Fund Appropriation	\$	407,337
4		Motor Vehicle Fund Appropriation	\$	9,117,789
5		State Fund Appropriation.....	\$	25,000
6	230	Administration		
7		General Fund Appropriation	\$	186,733
8		Motor Vehicle Fund Appropriation	\$	7,154,711
9		Federal Fund Appropriation	\$	375,000
10		State Fund Appropriation.....	\$	79,224
11	231	Traffic Engineering		
12		Motor Vehicle Fund Appropriation		6,629,934
13	232	Parking		
14		Parking Management Fund Appropriation		5,230,793
15	233	Signs and Markings		
16		Motor Vehicle Fund Appropriation		10,884,022
17		State Fund Appropriation.....		6,000
18	235	Parking Enforcement		
19		Parking Management Fund Appropriation		7,137,207
20	239	Traffic Safety		
21		Motor Vehicle Fund Appropriation		2,750,433
22	500	Street Lighting		
23		Motor Vehicle Fund Appropriation		18,913,645
24	501	Highway Maintenance		
25		Motor Vehicle Fund Appropriation	\$	30,861,047
26	503	Engineering and Construction		
27		General Fund Appropriation	\$	570,166
28		Motor Vehicle Fund Appropriation	\$	3,106,177
29	548	Conduits		
30		Conduit Enterprise Fund Appropriation	\$	7,073,000
31	580	Parking Enterprise Facilities		
32		Parking Enterprise Fund Appropriation.....	\$	25,272,000
33	Wage Commission			
34	165	Wage Enforcement		
35		General Fund Appropriation	\$	465,765
36	War Memorial Commission			
37	487	Operation of War Memorial Building		
38		General Fund Appropriation	\$	353,787

Council Bill 06-0416

1

Internal Service Fund Authorization

Comptroller, Department of

3 **133 Municipal Telephone Exchange**

4 An internal service fund is hereby authorized to provide for operation of a Municipal Telephone
S Exchange, the costs of which are to be recovered from using agencies.

6 **136 Municipal Post Office**

7 An internal service fund is hereby authorized to provide for operation of a Municipal Post Office,
8 the costs of which are to be recovered from using agencies.

9 **Conditional Purchase Agreements, Mayoralty-Related**

10 **129 Conditional Purchase Agreements Payments**

11 An internal service fund is hereby authorized to provide for principal and interest payments
12 related to the improvements made to the Municipal Telephone Exchange, the costs of which are
13 to be recovered from using agencies

14 **Finance, Department of**

15 **144 Purchasing**

16 An internal service fund is hereby authorized to provide for operation of a Municipal
17 Reproduction and Printing Service, the costs of which are to be recovered from using agencies.

18 **153 Risk Management Operations**

19 An internal service fund is hereby authorized to provide for a Self-Insurance Program for
20 administration of the Employee Health Clinic and Employee Safety and Workers' Compensation
21 Claims Processing, the costs of which are to be recovered from the Self-Insurance Fund.

22 **Human Resources, Department of**

23 **160 Personnel Administration**

24 An internal service fund is hereby authorized to provide for the operation of the Unemployment
25 Insurance function, the costs of which are to be recovered from contributions from various fund
26 sources.

27 **161 Vision Care Program**

28 An internal service fund is hereby authorized to provide for the operation of an Employee Vision
29 Care Program, the costs of which are to be recovered from contributions from various fund
30 sources.

31 **Law, Department of**

32 **175 Legal Services**

33 An internal service fund is hereby authorized to provide for a Self-Insurance Program covering
34 Automotive Equipment, Police Animal Liability, Employee Liability and the administration of
35 Workers' Compensation claims, the costs of which are to be recovered from the Self-Insurance
36 Fund.

Council Bill 06-0416

1 Public Works, Department of

2 189 Fleet Management

3 An internal service fund is hereby authorized to provide for operation of a Central Automotive
4 and Mechanical Repair Service, the costs of which are to be recovered from using agencies.

5 B. Capital Budget

6 **SECTION 2. AND BE IT FURTHER ORDAINED,** That the Capital Improvement Appropriations
7 herein made are for the following Construction Projects provided that the appropriations will be
8 placed in Construction Reserve accounts at the beginning of the fiscal year and transferred by the
9 Board of Estimates to Construction Accounts as project funds are needed.

10 Baltimore Development Corporation

11 601 - 115 West Side Initiative

12 General Obligation Bond Appropriation
1,500,000
13 Other State Fund Appropriation.....
8,000,000
14 Other Fund Appropriation
3,000,000

15 601 - 354 West Baltimore Industrial and Commercial Development

16 General Obligation Bond Appropriation \$ 1,000,000

17 601 - 483 South Baltimore Commercial and Industrial Development

18 General Obligation Bond Appropriation\$ 1,000,000

19 601 - 575 East Baltimore Commercial and Economic Development

20 General Obligation Bond Appropriation\$ 1,000,000

21 601 - 860 Industrial and Commercial Financing

22 General Obligation Bond Appropriation\$ 1,800,000

23 601 - 870 Business Centers - Capital Repairs

24 General Obligation Bond Appropriation\$ 500,000

25 601 - 873 Brownfield Incentive Fund

26 General Obligation Bond Appropriation \$ 1,000,000

27 601 - 880 Open/Public Space Improvements

28 General Obligation Bond Appropriation\$ 1,000,000

29 601 - 982 Commercial Revitalization Programs

30 General Obligation Bond Appropriation\$ 1,250,000

31 601 - 983 Arts and Entertainment Initiatives

32 General Obligation Bond Appropriation\$ 750,000

33 607 - 004 Preston Gardens Infrastructure Improvements

34	General Obligation Bond Appropriation	\$ 250,000
----	---	------------

Council Bill 06-0416

1	607 - 006 Downtown Facade Improvement Program		
2	General Obligation Bond Appropriation		
	250,000		
3	Baltimore City Public Schools		
4	417 - 123 FY07 - FY12 Baltimore City Public School System Capital Projects		
5	General Obligation Bond Appropriation		
	17,000,000		
6	Department of Housing and Community Development		
7	588 - 904 Affordable Housing Program		
8	Community Development Block Grant Appropriation		
	3,000,000		
9	Urban Development Action Grant Repayment Appropriation		
	1,200,000		
10	588 - 979 East Baltimore Redevelopment		
11	General Obligation Bond Appropriation	\$	3,000,000
12	General Fund Appropriation	\$	2,300,000
13	588 - 981 Acquisition and Relocation Fund		
14	General Obligation Bond Appropriation	\$	2,150,000
15	588 - 983 Demolition Program		
16	General Obligation Bond Appropriation	\$	3,070,000
17	588 - 984 Homeownership Incentive Program		
18	General Obligation Bond Appropriation	\$	2,450,000
19	Community Development Block Grant Appropriation	\$	100,000
20	588 - 985 Housing Development		
21	General Obligation Bond Appropriation	\$	2,625,000
22	Other Federal Fund Appropriation	\$	6,700,000
23	588 - 986 Housing Repair Assistance Programs		
24	General Obligation Bond Appropriation	\$	350,000
25	Community Development Block Grant Appropriation	\$	400,000
26	Other Federal Fund Appropriation	\$	100,000
27	588 - 987 Housing & Services - Community Action Partnership		
28	General Obligation Bond Appropriation	\$	1,100,000
29	588 - 989 Loan Repayment		
30	Community Development Block Grant Appropriation	\$	5,992,000
31	588 - 991 Public Housing Redevelopment		
32	General Obligation Bond Appropriation	\$	1,050,000
33	588 - 994 Special Capital Projects		

34	General Obligation Bond Appropriation	\$	1,025,000
35	Community Development Block Grant Appropriation	\$	600,000
36	State Race Track Grant Appropriation	\$	500,000

Council Bill 06-0416

1	Sale of City Real Property Appropriation	\$	6,500,000
2	Urban Development Action Grant Repayment Appropriation	\$	100,000
3	588 - 996 Stabilization Program		
4	General Obligation Bond Appropriation	\$	2,730,000
5	Enoch Pratt Free Library		
6	457 - 200 Library Facilities - Modernization		
7	General Obligation Bond Appropriation		
1,300,000			
8	General Fund Appropriation		
1,200,000			
9	Department of Health		
10	312 - 313 Baltimore Homeless Services Special Needs Population		
11	Community Development Block Grant Appropriation	\$	250,000
12	312 - 320 Animal Shelter		
13	General Fund Appropriation	\$	220,000
14	Department of Finance		
15	146 - 033 Finance General Ledger System		
16	General Fund Appropriation		
5,000,000			
17	Mayoralty		
18	127 - 030 City Council Information Technology Project		
19	General Fund Appropriation	\$	100,000
20	127 - 135 Walters Art Museum - Expansion		
21	General Obligation Bond Appropriation	\$	500,000
22	127 - 138 Maryland Science Center - Expansion		
23	General Obligation Bond Appropriation	\$	300,000
24	127 - 152 Baltimore City Heritage Area Projects		
25	General Fund Appropriation	\$	200,000
26	127 - 155 Waiter Center for Senior Citizens		
27	Community Development Block Grant Appropriation	\$	100,000
28	Other Private Fund Appropriation & Grant Appropriation	\$	70,000
29	127 - 401 B&O Railroad Museum – Car Shops Restoration		
30	General Obligation Bond Appropriation	\$	500,000
31	127 - 402 Health Care for the Homeless - New Facility		

General Obligation Bond Appropriation	\$	650,000
--	-----------	----------------

Council Bill 06-0416

1	127 - 910 Forest Park Senior Center		
2	General Fund Appropriation	\$	200,000
3	127 - 980 Neighborhoods First Program		
4	General Obligation Bond Appropriation	\$	200,000
5	524 - 052 Baltimore Public Markets Improvements		
6	General Fund Appropriation	\$	630,000
7	529 - 057 Aquarium - Pier 3 HVAC System Infrastructure Upgrade		
8	General Obligation Bond Appropriation		750,000
9			
	Department of Planning		
10	188 - 009 Planning Department Initiatives		
11	General Obligation Bond Appropriation	\$	700,000
12			
	Department of Public Works		
13	197 - 304 Benton Building HVAC Improvements		
14	General Obligation Bond Appropriation	\$	960,000
15	197 - 513 City Hall Exterior Surface Repairs		
16	General Obligation Bond Appropriation	\$	1,120,000
17	197 - 702 War Memorial Kitchen Upgrade		
18	General Fund Appropriation	\$	100,000
19	197 - 826 Fire Station Roof and Window Improvements		
20	General Obligation Bond Appropriation	\$	500,000
21	197 - 827 Police District Station Improvements		
22	General Obligation Bond Appropriation	\$	500,000
23	197 - 830 68th Street Dump Site Environmental Remediation		
24	General Fund Appropriation	\$	200,000
25	City Motor Vehicle Fund Appropriation	\$	200,000
26	197 - 835 Sprinkler System for Downtown City Buildings		
27	General Fund Appropriation	\$	200,000
28	197 - 840 Race Street Environmental Remediation		
29	City Motor Vehicle Fund Appropriation	\$	370,000
30	197 - 841 War Memorial HVAC and Ceiling Repair		
31	General Fund Appropriation	\$	150,000
32	Other State Fund Appropriation.....	\$	150,000
33	197 - 850 Trash Interceptor Maintenance Facilitation		
34	City Motor Vehicle Fund Appropriation	\$	100,000

Council Bill 06-0416

1	517 - 047 Quarantine Road Landfill Expansion		
2	Other Fund Appropriation	\$	1,000,000
3	517 - 500 Solid Waste Facility Renovations		
4	City Motor Vehicle Fund Appropriation	\$	100,000
5	520 - 099 Small Storm Drain and Inlet Repairs		
6	City Motor Vehicle Fund Appropriation	\$	1,000,000
7	520 - 100 Storm Water Drain - Safety Grates		
8	City Motor Vehicle Fund Appropriation	\$	500,000
9	520 - 439 On Call Storm Drain Design/Engin. Service		
10	City Motor Vehicle Fund Appropriation	\$	500,000
11	520 - 450 Annapolis Road Storm Drain Improvements		
12	City Motor Vehicle Fund Appropriation	\$	500,000
13	520 - 451 Fairmont Storm Drain Improvements		
14	City Motor Vehicle Fund Appropriation	\$	500,000
15	520 - 711 Emergency Flood Mitigation		
16	City Motor Vehicle Fund Appropriation		
200,000			
17	520 - 712 Storm Drain Improvements - Spellman Road		
18	City Motor Vehicle Fund Appropriation	\$	300,000
19	525 - 350 East Stony Run/Charles Street Culvert		
20	City Motor Vehicle Fund Appropriation	\$	1,500,000
21	525 - 351 East Stony Run Open Channel Improvements		
22	City Motor Vehicle Fund Appropriation	\$	300,000
23	525 - 646 Stream & Watershed Restoration Study		
24	City Motor Vehicle Fund Appropriation	\$	100,000
25	525 - 993 Watershed 263 Phase 1 Bio - retention		
26	City Motor Vehicle Fund Appropriation	\$	300,000
27	525 - 994 Powder Mill Run Stream Restoration - Phasel		
28	City Motor Vehicle Fund Appropriation	\$	200,000
29	525 - 996 Green School Phase III		
30	City Motor Vehicle Fund Appropriation	\$	100,000
31	551 - 233 Wastewater Collection System - Annual Improvements		
32	Waste Water Bond Appropriation	\$	1,000,000
33	County Grant Appropriation	\$	1,000,000

Council Bill 06-0416

1	551 - 401 Sewer Replacement Projects		
2	Waste Water Utility Fund Appropriation.....	\$	2,000,000
3	551 - 404 Infiltration / Inflow Correction Program		
4	Waste Water Utility Fund Appropriation	\$	2,000,000
5	551 - 410 Improvements to Herring Run Interceptor - Phase 1 SC 836		
6	Waste Water Bond Appropriation	\$	1,550,000
7	County Grant Appropriation	\$	950,000
8	551 - 440 Hawkins Point Sewerage Study		
9	Waste Water Bond Appropriation	\$	2,000,000
10	551 - 444 Eastern Avenue Pump Station Improvements		
11	Waste Water Bond Appropriation	\$	7,000,000
12	551 - 533 Annual Facilities Improvements		
13	Waste Water Bond Appropriation	\$	1,000,000
14	County Grant Appropriation	\$	1,000,000
15	551 - 569 Urgent Sanitary A/E Services		
16	Waste Water Bond Appropriation	\$	750,000
17	551 - 604 Stony Run Interceptor and Pumping Station		
18	SC 819R, SC 838, SC 839, SC 847		
19	Waste Water Bond Appropriation	\$	19,100,000
20	County Grant Appropriation	\$	900,000
21	551 - 609 Southwest Diversion Pressure Sewer Improvements		
22	Waste Water Bond Appropriation	\$	1,600,000
23	County Grant Appropriation	\$	2,400,000
24	551 - 619 Sewer System Evaluation Program - Low Level Sewershed		
25	Waste Water Bond Appropriation	\$	20,554,000
26	County Grant Appropriation	\$	746,000
27	551 - 621 Sewer System Evaluation Program - High Level Sewershed		
28	Waste Water Bond Appropriation	\$	14,100,000
29	551 - 623 Sewer System Evaluation Program - Gwynns Falls Sewershed		
30	Waste Water Bond Appropriation	\$	9,463,000
31	County Grant Appropriation	\$	3,137,000
32	551 - 627 Wet Weather Program		
33	Waste Water Bond Appropriation	\$	4,950,000
34	County Grants	\$	50,000
35	551 - 681 Wastewater Facilities Security Improvements		
36	Waste Water Bond Appropriation	\$	2,500,000
37	County Grant Appropriation	\$	2,500,000

Council Bill 06-0416

1	551 - 683 Rehabilitation of Patapsco WWTP Gravity Sludge Thickeners		
2	Waste Water Bond Appropriation	\$	1,600,000
3	County Grant Appropriation	\$	3,400,000
4	551 - 684 Patapsco Improvements to Existing Facilities		
5	Waste Water Bond Appropriation	\$	320,000
6	County Grant Appropriation	\$	680,000
7	551 - 685 Back River WWTP Scum Facilities Improvements		
8	Waste Water Bond Appropriation	\$	500,000
9	County Grant Appropriation	\$	500,000
10	551 - 753 Locust St Pump Station Force Main Improvements		
11	Waste Water Bond Appropriation	\$	700,000
12	551 - 754 Quad Ave Pump Station Force Main Improvements		
13	Waste Water Bond Appropriation	\$	145,000
14	County Grant Appropriation	\$	55,000
15	551 - 755 Dundalk Ave Pump Station Force Main Improvements		
16	Waste Water Bond Appropriation	\$	322,000
17	County Grant Appropriation	\$	178,000
18	551 - 756 Brooklyn Ave Pump Station Force Main Improvements		
19	Waste Water Bond Appropriation	\$	494,000
20	County Grant Appropriation	\$	6,000
21	557 - 031 Water Distribution System - Improvements		
22	Water Bond Appropriation	\$	2,000,000
23	County Grant Appropriation	\$	2,000,000
24	557 - 099 Mapping Program - Water Supply System		
25	County Grant Appropriation	\$	2,000,000
26	557 - 100 Water Infrastructure Rehabilitation		
27	Water Bond Appropriation	\$	10,000,000
28	557 - 101 Water Mains - Installation		
29	Water Utility Fund Appropriation	\$	2,000,000
30	County Grant Appropriation	\$	1,000,000
31	557 - 130 Water System Cathodic Protection		
32	Water Bond Appropriation	\$	334,000
33	County Grant Appropriation	\$	166,000
34	557 - 133 Meter Replacement Program		
35	Water Utility Fund Appropriation	\$	2,000,000
36	County Grant Appropriation	\$	2,000,000

Council Bill 06-0416

1	557 - 300 Water Facilities - Annual Improvements		
2	Water Bond Appropriation	\$	915,000
3	County Grant Appropriation	\$	585,000
4	557 - 400 Valve and Hydrant Replacement - Annual		
5	Water Utility Fund Appropriation	\$	3,000,000
6	County Grant Appropriation	\$	3,000,000
7	557 - 638 Water Audit		
8	Water Bond Appropriation	\$	305,000
9	County Grant Appropriation	\$	195,000
10	557 - 689 Urgent Needs Water Engineering Services		
11	Water Bond Appropriation	\$	315,000
12	County Grant Appropriation	\$	185,000
13	Department of Recreation and Parks		
14	474 - 670 Druid Hill Park: Renovation of the Three Sisters Area		
15	General Obligation Bond Appropriation	\$	850,000
16	State Open Space Matching Grant Appropriation	\$	1,000,000
17	474 - 690 Street Tree Operations FY07		
18	City Motor Vehicle Fund Appropriation	\$	300,000
19	474 - 718 Jones Falls Greenway Phase IV: Druid Hifi to Cylburn		
20	Federal Transportation Enhancement Grant Appropriation	\$	2,000,000
21	City Motor Vehicle Fund Appropriation	\$	1,800,000
22	474 - 719 Druid Hill Park Neighborhood Access		
23	Federal Transportation Enhancement Grant Appropriation	\$	1,600,000
24	City Motor Vehicle Fund Appropriation	\$	400,000
25	474 - 720 Athletic Courts & Field Renovations		
26	General Obligation Bond Appropriation	\$	1,150,000
27	State Open Space Matching Grant Appropriation	\$	1,000,000.
28	474 - 721 Park and Recreation Facility Renovations		
29	General Obligation Bond Appropriation	\$	250,000
30	State Open Space Matching Grant Appropriation	\$	750,000
31	474 - 722 Park and Playground Renovation: Farring - Baybrook,		
32	Arnold Sumpter, Madison Sq and Chinquapin		
33	General Obligation Bond Appropriation	\$	550,000
34	State Open Space Matching Grant Appropriation	\$	1,200,000
35	474 - 723 Park Improvements: Druid Hill, Carroll, Patterson,		
36	Clifton, Cylburn, Gwynns Fall		
37	General Obligation Bond Appropriation	\$	1,120,000
38	State Open Space Matching Grant Appropriation	\$	3,350,000

Council Bill 06-0416

1	474 - 724 Pool and Bathhouse Renovation Roosevelt Park		
2	General Obligation Bond Appropriation		
250,000			
3	State Open Space Matching Grant Appropriation		
750,000			
4	474 - 725 Roosevelt Park Master Plan Implementation Phase II		
5	State Open Space Grant Appropriation	\$	1,200,000
6	474 - 726 Baltimore Playlot Program FY07		
7	General Fund Appropriation	\$	250,000
8	State Open Space Matching Grant Appropriation	\$	750,000
9	474 - 727 Community Parks and Playgrounds		
10	State Open Space Grant Appropriation	\$	800,000
11	474 - 728 Cylburn Arboretum Master Plan Phase II: Visitor Center		
12	State Open Space Matching Grant Appropriation		
1,000,000			
13	Other Private Fund Appropriation & Grant Appropriation		
1,000,000			
14	474 - 729 Clifton Park Master Plan		
15	General Fund Appropriation		
250,000			
16	State Open Space Matching Grant Appropriation		
750,000			
17	474 - 730 Farring - Baybrook Recreation Center Renovations		
18	State Open Space Grant Appropriation		
500,000			
19	474 - 735 Parkland Expansion		
20	General. Fund Appropriation		
3,000,000			
21	474 - 800 Forestry Lot Watering System		
22	City Motor Vehicle Fund Appropriation		
50,000			
23	Department of Transportation		
24	504 - 100 Footway Reconstruction		
25	City Motor Vehicle Fund Appropriation		
1,000,000			
26	504 - 200 Alley Reconstruction		
27	City Motor Vehicle Fund Appropriation		
1,000,000			

28	504 - 300 Tree Root Damage	
29	City Motor Vehicle Fund Appropriation	
1,250,000		
30	506 - 516 Annapolis Road Bridge over BW Pkwy	
31	Federal Highway Transportation Fund Appropriation.....	
800,000		
32	City Motor Vehicle Fund Appropriation	
200,000		
33	506 - 523 Fulton Avenue Median Streetscape	
34	(Edmondson to Reisterstown)	
35	City Motor Vehicle Fund Appropriation	
300,000		

Council Bill 06-0416

1	506 - 528 Park Heights Ave. (Druid Hill to Garrison) -		
2	Federal Resurf. NW		
3	Federal Highway Transportation Fund Appropriation	\$	1,200,000
4	City Motor Vehicle Fund Appropriation	\$	300,000
5	506 - 530 Federal Resurfacing Southeast		
6	City Motor Vehicle Fund Appropriation	\$	250,000
7	506 - 532 Chesapeake Avenue Phase II		
8	Federal Highway Transportation Fund Appropriation	\$	480,000
9	City Motor Vehicle Fund Appropriation	\$	120,000
10	506 - 535 SAFETEA - LU Local Match		
11	City Motor Vehicle Fund Appropriation	\$	400,000
12	507 - 412 Frederick Avenue over Gwynns Falls		
13	Federal Highway Transportation Fund Appropriation.....	\$	320,000
14	City Motor Vehicle Fund Appropriation	\$	80,000
15	507 - 416 Hawkins Point Road Bridge over CSX Railroad		
16	Federal Highway Transportation Fund Appropriation.....	\$	4,000,000
17	City Motor Vehicle Fund Appropriation	\$	800,000
18	507 - 426 Eastern Ave Underpass Below RR bridges -		
19	Repair and Painting		
20	City Motor Vehicle Fund Appropriation	\$	300,000
21	507 - 529 Hilton Street		
22	Federal Highway Transportation Fund Appropriation.....	\$	125,000
23	City Motor Vehicle Fund Appropriation	\$	55,000
24	507 - 752 Bridge Inspection Program (2007)		
25	Federal Highway Transportation Fund Appropriation	\$	1,600,000
26	City Motor Vehicle Fund Appropriation	\$	400,000
27	508 - 363 Sinclair Lane Over CSX		
28	City Motor Vehicle Fund Appropriation	\$	100,000
29	508 - 365 Key Highway Gateway Beautification Project		
30	Other State Fund Appropriation	\$	400,000
31	City Motor Vehicle Fund Appropriation	\$	400,000
32	508 - 378 Transportation Archive Inventory		
33	City Motor Vehicle Fund Appropriation	\$	250,000
34	508 - 433 Mondawmin Pedestrian Improvements		
35	City Motor Vehicle Fund Appropriation	\$	50,000
36	508 - 459 Revision of Street Configurations		
37	City Motor Vehicle Fund Appropriation	\$	400,000

Council Bill 06-0416

1	508 - 465 Curb Repair Job Order Contract (JOC)		
2	City Motor Vehicle Fund Appropriation	\$	500,000
3	508 - 469 Soil Borings		
4	City Motor Vehicle Fund Appropriation	\$	300,000
5	508 - 493 Test Pits		
6	City Motor Vehicle Fund Appropriation	\$	500,000
7	508 - 496 Slab Repairs		
8	City Motor Vehicle Fund Appropriation	\$	1,000,000
9	508 - 506 Constructability Review		
10	City Motor Vehicle Fund Appropriation	\$	500,000
11	508 - 508 Material Testing		
12	City Motor Vehicle Fund Appropriation	\$	200,000
13	508 - 519 Construction Management Services		
14	City Motor Vehicle Fund Appropriation	\$	500,000
15	508 - 520 On - Call Highway Services		
16	City Motor Vehicle Fund Appropriation	\$	500,000
17	508 - 534 Howard Street Arch Removal		
18	City Motor Vehicle Fund Appropriation	\$	1,200,000
19	508 - 550 Neighborhood Street Reconstruction		
20	City Motor Vehicle Fund Appropriation	\$	2,000,000
21	508 - 563 The Terraces Improvements		
22	City Motor Vehicle Fund Appropriation	\$	250,000
23	508 - 575 Hanover Street Drawbridge		
24	City Motor Vehicle Fund Appropriation	\$	500,000
25	508 - 583 Construction of I - 95 Montgomery Ramp		
26	City Motor Vehicle Fund Appropriation	\$	250,000
27	508 - 742 Replacement of Falls Road Facility		
28	City Motor Vehicle Fund Appropriation	\$	250,000
29	508 - 883 Annapolis Road Bridge Temporary Support		
30	City Motor Vehicle Fund Appropriation	\$	530,000
31	509 - 185 Central Avenue Reconstruction (Monument to Aliceanna)		
32	Federal Highway Transportation Fund Appropriation.....		6,000,000
33	City Motor Vehicle Fund Appropriation		400,000

Council Bill 06-0416

1	509 - 332 Pennington Avenue Drawbridge		
2	Federal Highway Transportation Fund Appropriation	\$	6,400,000
3	City Motor Vehicle Fund Appropriation	\$	1,600,000
4	510 - 019 Fiber Installation Study - Citywide		
5	City Motor Vehicle Fund Appropriation		
	200,000		
6	510 - 033 Pedestrian Lighting - - SNAP and Historic Neighborhoods		
7	City Motor Vehicle Fund Appropriation		
	800,000		
8	510 - 035 Pedestrian Lighting		
9	City Motor Vehicle Fund Appropriation		
	500,000		
10	512 - 038 Traffic Management Center		
11	City Motor Vehicle Fund Appropriation		
	500,000		
12	512 - 045 LED Signals		
13	Federal Highway Transportation Fund Appropriation.....		
	2,400,000		
14	City Motor Vehicle Fund Appropriation		
	1,600,000		
15	512 - 047 Traffic Signal Replacement - Project Management		
16	and Inspection		
17	Federal Highway Transportation Fund Appropriation		
	160,000		
18	City Motor Vehicle Fund Appropriation		
	40,000		
19	512 - 053 Traffic Surveillance Camera Expansion		
20	Federal Highway Transportation Fund Appropriation.....	\$	240,000
21	City Motor Vehicle Fund Appropriation	\$	60,000
22	512 - 056 Fiber Optic Connections		
23	Federal Highway Transportation Fund Appropriation.....		
	400,000		
24	City Motor Vehicle Fund Appropriation		
	1,100,000		
25	512 - 057 Geometric Improvements		
26	City Motor Vehicle Fund Appropriation		
	200,000		
27	512 - 059 Variable Message Signs		
28	City Motor Vehicle Fund Appropriation		
	200,000		

29 512 - **061 Traffic Engineering On - Call**
30 City Motor Vehicle Fund Appropriation
 500,000

31 512 - 063 Pavement Marking Program

32 City Motor Vehicle Fund Appropriation
 500,000

33 514 - 207 **Charles Street Gateway Rehabilitation**

34 Federal Highway Transportation Fund Appropriation..... \$ 2,000,000
35 City Motor Vehicle Fund Appropriation \$ 200,000

Council Bill 06-0416

I	514 - 213 Resurfacing Highways Northeast - Sector 1		
2	City Motor Vehicle Fund Appropriation	\$	500,000
3	514 - 214 Resurfacing Highways Northwest - Sector 2		
4	City Motor Vehicle Fund Appropriation	\$	500,000
5	514 - 215 Resurfacing Highways Southwest - Sector 3		
6	City Motor Vehicle Fund Appropriation	\$	- 500,000
7	514 - 216 Resurfacing Highways Southeast - Sector 4		
8	City Motor Vehicle Fund Appropriation	\$	500,000
9	514 - 595 Duvall St. Reconstruction (Elsinore to Queen Anne)		
10	Federal Highway Transportation Fund Appropriation	\$	400,000
11	City Motor Vehicle Fund Appropriation	\$	100,000
12	514 - 596 Eastern Avenue Rehabilitation		
13	City Motor Vehicle Fund Appropriation	\$	50,000
14	514 - 706 Caton Avenue (Benson to Frederick)		
15	City Motor Vehicle Fund Appropriation	\$	200,000
16	514 - 724 Cross Country Blvd. Resurfacing (Greenspring to Fallstaff)		
17	Federal Highway Transportation Fund Appropriation	\$	800,000
18	City Motor Vehicle Fund Appropriation	\$	200,000
19	514 - 725 Emergency Resurfacing (JOC)		
20	City Motor Vehicle Fund Appropriation	\$	2,000,000
21	514 - 726 Pavement Management System/ Asset Management		
22	City Motor Vehicle Fund Appropriation	\$	150,000
23	514 - 728 Federal Resurfacing - Sector I		
24	Federal Highway Transportation Fund Appropriation		
1,200,000			
25	City Motor Vehicle Fund Appropriation		
300,000			
26	514 - 729 Federal Resurfacing - Sector II		
27	Federal Highway Transportation Fund Appropriation	\$	1,200,000
28	• City Motor Vehicle Fund Appropriation	\$	300,000
29	514 - 730 Federal Resurfacing - Sector In		
30	Federal Highway Transportation Fund Appropriation	\$	1,200,000
31	City Motor Vehicle Fund Appropriation	\$	300,000
32	514 - 731 Federal Resurfacing - Sector W		
33	Federal Highway Transportation Fund Appropriation	\$	1,200,000
34	City Motor Vehicle Fund Appropriation	\$	300,000

Council Bill 06-0416

1	514 - 733 Northern Parkway Phase I (Liberty Heights to Falls Road)	
2	Federal Highway Transportation Fund Appropriation	1,000,000
3	City Motor Vehicle Fund Appropriation	200,000
4	514 - 738 Local Resurfacing - Sector 1	
5	City Motor Vehicle Fund Appropriation	2,125,000
6	514 - 739 Local Resurfacing - Sector 2	
7	City Motor Vehicle Fund Appropriation	2,125,000
8	514 - 740 Local Resurfacing - Sector 3	
9	City Motor Vehicle Fund Appropriation	2,125,000
10	514 - 741 Local Resurfacing - Sector 4	
11	City Motor Vehicle Fund Appropriation	2,125,000
12	514 - 742 Madison Avenue - Resurfacing	
13	City Motor Vehicle Fund Appropriation	100,000
14	514 - 743 Hill Street	
15	City Motor Vehicle Fund Appropriation	100,000
16	514 - 744 Lafayette Avenue	
17	City Motor Vehicle Fund Appropriation	100,000
18	514 - 745 Glengyle Avenue	
19	City Motor Vehicle Fund Appropriation	356,000
20	514 - 746 Clarinith Road	
21	City Motor Vehicle Fund Appropriation	344,000
22	514 - 747 Doverdale Avenue	
23	City Motor Vehicle Fund Appropriation	36,000
24	514 - 748 Bancroft Road	
25	City Motor Vehicle Fund Appropriation	200,000

26	514 - 749 Steele Road	
27	City Motor Vehicle Fund Appropriation	
120,000		
28	514 - 750 Hanson Avenue	
29	City Motor Vehicle Fund Appropriation	
208,000		
30	514 - 751 Sulgrave Avenue	
31	City Motor Vehicle Fund Appropriation	
83,000		
32	514 - 752 Magnolia Avenue	
33	City Motor Vehicle Fund Appropriation	
30,000		

Council Bill 06-0416

1	514 - 753 Fallstaff Road		
2	City Motor Vehicle Fund Appropriation	\$	226,000
3	514 - 754 Sulgrave Avenue (Cross Country Blvd. to Chilham Road)		
4	City Motor Vehicle Fund Appropriation	\$	93,000
5	514 - 755 Fieldcrest Road		
6	City Motor Vehicle Fund Appropriation	\$	140,000
7	514 - 756 Casadel Avenue		
8	City Motor Vehicle Fund Appropriation	\$	104,000
9	527 - 032 Claremont/Freedom Village Streets & Infrastructure		
10	Water Bond Appropriation	\$	766,000
11	Waste Water Bond Appropriation	\$	1,026,000
12	City Motor Vehicle Fund Appropriation	\$	6,849,000
13	527 - 116 Haven Street (Monument St. to Boston Street)		
14	City Motor Vehicle Fund Appropriation	\$	1,000,000
15	527 - 139 Pennsylvania Avenue Main Street Improvements		
16	City Motor Vehicle Fund Appropriation	\$	750,000
17	527 - 166 East Baltimore Redevelopment Area Street Improvements		
18	City Motor Vehicle Fund Appropriation	\$	2,000,000
19	527 - 175 Bicycle Network Strategy		
20	City Motor Vehicle Fund Appropriation	\$	700,000
21	527 - 176 Jones Falls/Inner Harbor Trail and Pedestrian		
22	Improvements		
23	City Motor Vehicle Fund Appropriation	\$	250,000
24	527 - 186 Commercial District Street Lights/Landscaping		
25	City Motor Vehicle Fund Appropriation	\$	200,000
26	527 - 200 Star Spangled Heritage Trails - Phases IV/V		
27	City Motor Vehicle Fund Appropriation	\$	250,000
28	527 - 212 Inner Harbor Pedestrian Wayfinding		
29	City Motor Vehicle Fund Appropriation	\$	100,000
30	527 - 219 Lexington Street - Streetscape (Charles to JFX)		
31	City Motor Vehicle Fund Appropriation	\$	100,000
32	527 - 223 Eutaw Street - Streetscape (Pratt to Baltimore)		
33	City Motor Vehicle Fund Appropriation	\$	141,000
34	527 - 225 Gay Street - Streetscape (Pratt to JFX)		
35	City Motor Vehicle Fund Appropriation	\$	250,000

Council Bill 06-0416

1	527 - 226 Chase Street - Streetscape (Howard to Biddle)
2	City Motor Vehicle Fund Appropriation 730,000
3	527 - 227 Read Street - Streetscape (MLK to Fallsway)
4	City Motor Vehicle Fund Appropriation 1,000,000
5	527 - 229 Baltimore Street - Infrastructure/Utility (MLK to Charles)
6	City Motor Vehicle Fund Appropriation 500,000
7	527 - 230 Cathedral Street - Infrastructure/Utility
8	(Chase to Mt. Royal)
9	City Motor Vehicle Fund Appropriation 750,000
10	527 - 300 Biddle Street Connector - Infrastructure/Utility
11	(Orangeville)
12	City Motor Vehicle Fund Appropriation 300,000
13	527 - 303 Charles Street - Streetscape (North to 23rd)
14	City Motor Vehicle Fund Appropriation 110,000
15	527 - 306 New Street - Orangeville - Infrastructure/ Utility
16	(Biddle to Chase)
17	City Motor Vehicle Fund Appropriation 150,000
18	527 - 308 Washington Blvd. - Streetscape (Cross to MLK)
19	City Motor Vehicle Fund Appropriation 165,000
20	527 - 312 Inner Harbor - Infrastructure/ Utility (Inner Harbor)
21	City Motor Vehicle Fund Appropriation 500,000
22	527 - 315 Industrial Areas Resurfacing (Job Order Contracts) -
23	Infrastructure (City - wide)
24	City Motor Vehicle Fund Appropriation 500,000
25	527 - 323 Key Highway/ Inner Harbor Intersection
26	City Motor Vehicle Fund Appropriation 100,000
27	527 - 324 Harbor East

28	City Motor Vehicle Fund Appropriation	950,000
29	527 - 493 Uplands Redevelopment Site Infrastructure	
30	City Motor Vehicle Fund Appropriation	700,000
31	527 - 626 Brighton Infrastructure Improvements	
32	City Motor Vehicle Fund Appropriation	1,000,000
33	527 - 627 Park Circle Intersection Improvements	
34	City Motor Vehicle Fund Appropriation	1,000,000

Council Bill 06-0416

527 - 628 Area Master Plan Local Resurfacing - Madison Square

City Motor Vehicle Fund Appropriation \$ 500,000

3 527 - 630 Midtown SNAP Pedestrian Improvements

City Motor Vehicle Fund Appropriation \$ 500,000

527 - 631 43rd Street Resurfacing

City Motor Vehicle Fund Appropriation \$ 200,000

SECTION 3. AND BE IT FURTHER ORDAINED, That the amounts set forth in Section 2 above designated deappropriations and enclosed in parentheses shall revert to the surpluses of the respective funds and be available for appropriation by this or subsequent ordinances.

SECTION 4. AND BE IT FURTHER ORDAINED, That:

(a) The City reasonably expects to reimburse the expenditures described in Subsection (b) of this Section with the proceeds of one or more obligations (as such term is used in Treas. Reg. Section 1.150-1(b) to be incurred by the City (or any entity controlled by the City within the meaning of Treas. Reg. Section 1.150-1). The City intends that this Section of this Ordinance of Estimates (as this Ordinance of Estimates may be amended from time to time) shall serve as a declaration of the City's reasonable intention to reimburse expenditures as required by Treas. Reg. Section 1.150-2 and any successor regulation.

(b) The City intends that this declaration will cover all reimbursement of expenditures for capital projects or programs approved in the capital budget contained in this Ordinance of Estimates to the extent that the City has appropriated in this Ordinance of Estimates to pay the cost thereof from one or more obligations to be issued by the City (or any entity controlled by the City within the meaning of Treas. Reg. Section 1.150-1). The term "obligation" (as such term is defined in Treas. Reg. Section 1.150(b) and as used in this Section) includes general obligation bonds and notes, revenue bonds and notes, leases, conditional purchase agreements and other obligations of the City (or any entity controlled by the City within the meaning of Treas. Reg. Section 1.150-1).

(c) The maximum anticipated debt expected to be incurred by the City to reimburse the cost of each capital project or program in this Ordinance of Estimates is the applicable appropriation listed in this Ordinance of Estimates from the proceeds of one or more obligations, as such appropriations may be increased or decreased.

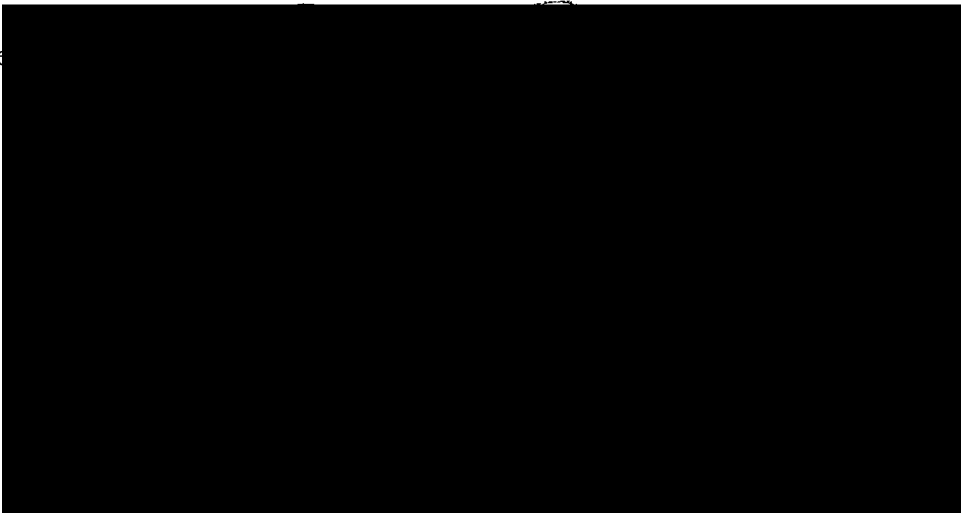
Council Bill 06-0416

SECTION 5. The foregoing appropriations in summary consist of:

Fund	Operating	Capital	Total
	\$		
General	1,189,923,000	\$ 14,000,000	\$1,203,923,000
Motor Vehicle	180,027,000	73,440,000	253,467,000
Parking Management	12,368,000	0	12,368,000
Convention Center Bond	4,643,000	0	4,643,000
Waste Water Utility	158,507,000	4,000,000	162,507,000
Water Utility	115,165,000	7,000,000	122,165,000
10 Parking Enterprise	25,272,000	0	25,272,000
11 Conduit Enterprise	7,073,000	0	7,073,000
12 Loan and Guarantee Enterprise	3,762,000	0	3,762,000
13 Federal	213,043,168	53,967,000	267,010,168
14 State	63,468,026	22,100,000	85,568,026
15 Special.	42,418,750	146,812,000 *	189,230,750
16 General Obligation Bonds	0	60,000,000	60,000,000
		-----	-----
	\$2,015,669,944	\$381,319,000	\$2,396,988,944

*Consisting of:

County	\$28,633,000
Revenue Bonds and Notes	\$ 105,309,000
Other Fund Sources	\$ 12,870,000 \$
	146,812,000



BOARD OF ESTIMATES

Council Bill 06-0416

Certified *as* duly passed this

Certified *as* duly delivered to His Hon , the
t h i s , 2 0
day ofraN

Approved this ___a t t . 1 6 2006 20

A TRUE
COPY

Edward
J.
G
all
ag
he
r
Di
re
ct
or
of
Fi
n
a
nc
e

This V' Day of

Aug 2026



CITY OF BALTIMORE
ORDINANCE **6**
Council Bill 06-044'7

Introduced by: The Council President

At the request of: The Administration (Department of Finance)

Introduced and read first time: May 1, 2006

Assigned to: Budget and Appropriations Committee and Committee of the Whole _____

Committee Report: Favorable

Council action: Adopted

Read second time: June 12, 2006

AN ORDINANCE CONCERNING

Annual Property Tax – Fiscal Year 2007

FOR the purpose of providing a tax for the use of the Mayor and City Council of Baltimore for the period July 1, 2006, through June 30, 2007; setting the semiannual payment service charge for that period; and providing for a special effective date.

SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE, That for the period July 1, 2006, through June 30, 2007, a tax is levied and imposed for the use of the Mayor and City Council of Baltimore on all property in the City of Baltimore (except property exempt by law), as follows:

(a) except as otherwise specified in item (b) of this section, a tax of \$2.288 is levied and imposed on every \$100 of assessed or assessable value of real property; and

(b) a tax of \$5.72 is levied and imposed on every \$100 of assessed or assessable value of:

(1) personal property; and

(2) operating real property described in State Tax-Property Article § 8-109(c).

SECTION 2. AND BE IT FURTHER ORDAINED, That this tax shall be paid and collected in the manner prescribed by law.

SECTION 3. AND BE IT FURTHER ORDAINED, That for the period July 1, 2006, through June 30, 2007, the semiannual payment service charge to be imposed under State Tax-Property Article § 10-204.3 is 0.999%.

SECTION 4. AND BE IT FURTHER ORDAINED, That this Ordinance takes effect on the date it is enacted.

Council Bill 06-0417

'AN 1 2 206

Certified as duly passed this ____ day of



4c 1

Certified as duly delivered to His Honor, the Mayor,

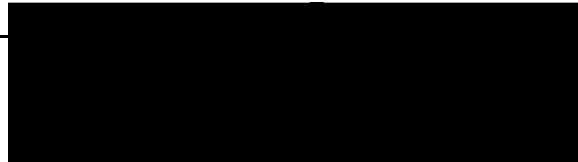
'aw 1 2 2WE

this day of _____, 20



'JUN 16 2006

Approved this day of _____, 20



A TRUE COPY

**Edward J. Gallagher
Director of Finance**

A^pproved For Form and Legal Sufficiency

This

Day of *ALL*, .

12



1 Assistant

Soiicitoi

CITY OF BALTIMORE
RESOLUTION 0 **6 0 j3**
Council Bill 06-0421

Introduced by: The Council President
At the request of: The Baltimore City Board of School Commissioners
Introduced and read first time: May 8, 2006
Assigned to: Budget and Appropriations Committee and Committee of the Whole
Committee Report: Favorable
Council action: Adopted
Read second time: June 12, 2006

A RESOLUTION OF THE MAYOR AND CITY COUNCIL CONCERNING

**Operating Budget for the Baltimore City Board of School Commissioners
for the Fiscal Year Ending June 30, 2007**

FOR the purpose of approving the budget estimated to be needed for the Baltimore City Board of School Commissioners for operating programs during Fiscal 2007: providing for certification of the approved budget to the State Superintendent of Schools; and providing for a special effective date.

BY authority of
Article – Education
Section(s) 5-102
Annotated Code of Maryland
(1997 Replacement Volume and Supplement)

SECTION 1. BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE, That the following amounts or so much thereof as shall be sufficient are hereby approved from the amounts estimated to be available in the designated funds during the fiscal year ending June 30, 2007.

Operating Budget

Baltimore City Public School Systems

Expense By Fund

Board of School Commissioners

Board of School Commissioners

Education	\$	1,577,008
Restricted/Other Funds	\$	0
Total	\$	1,577,008

Council BM 06-0421

I	Chief Executive Officer		
2	Office of the Chief Executive Officer		
3	Education	\$	2,672,764
4	Restricted/Other Funds	\$	0
5	Total	\$	2,672,764
6	Office of Legal Counsel		
7	Education	\$	3,914,033
8	Restricted/Other Funds	\$	82,510
9	Total	\$	3,996,543
10	Office of Communications		
11	Education	\$	805,196
12	Restricted/Other Funds	\$	0
13	Total	\$	805,196
14	Division of Research, Evaluation and Accountability		
15	Education	\$	4,291,645
16	Restricted/Other Funds	\$	567,795
17	Total	\$	4,859,440
18	Human Resources		
19	Education	\$	5,470,874
20	Restricted/Other Funds	\$	0
21	Total	\$	5,470,874
22	Fringe Benefits		
23	Education	\$	154,421,731
24	Restricted/Other Funds	\$	13,827,578
25	Total	\$	168,249,309
26	Subtotal - Chief Executive Officer		
27	Education	\$	171,576,243
28	Restricted/Other Funds.....		
14,477,883			
29	Total	\$	186,054,126
30	Chief of Staff		
31	Office of the Chief of Staff		
32	Education	\$	565,605
33	Restricted/Other Funds	\$	0
34	Total	\$	565,605
35	Chief Academic Officer		
36	Office of the Chief Academic Officer		
37	Education	\$	8,550,890
38	Restricted/Other Funds	\$	4,597,861
39	Total	\$	13,148,751

Council Bill 06-0421

1	Curriculum and Instruction		
2	Education	\$	27,536,285
3	Restricted/Other Funds	\$	6,654,925
4	Total	\$	34,191,210
5	Professional Development		
6	Education	\$	5,675,680
7	Restricted/Other Funds	\$	0
8	Total	\$	5,675,680
9	Twilight (Evening) School		
10	Education	\$	1,200,000
11	Restricted/Other Fund	\$	0
12	Total	\$	1,200,000
13	School, Community and Family Involvement		
14	Education	\$	860,283
15	Restricted/Other Funds	\$	580,722
16	Total	\$	1,441,005
17	General Instruction		
18	Education	\$	212,891,046
19	Restricted/Other Funds	\$	31,044,838
20	Total	\$	243,935,884
21	Career and Technology Instruction		
22	Education	\$	416,651
23	Restricted/Other Funds	\$	802,000
24	Total	\$	1,218,651
25	Gifted and Talented		
26	Education	\$	5,537,500
27	Restricted/Other Funds	\$	0
28	Total	\$	5,537,500
29	Summer School		
30	Education -	\$	4,500,000
31	Restricted/Other Funds	\$	6,000,000
32	Total	\$	10,500,000
33	Textbooks		
34	Education	\$	5,000,000
35	Restricted/Other Funds	\$	0
36	Total	\$	5,000,000
37	ESOL		
38	Education	\$	3,786,500
39	Restricted/Other Funds	\$	0
40	Total	\$	3,786,500

Council Bill 06-0421

1	Interscholastic Athletics		
2	Education	\$	4,300,000
3	Restricted/Other Funds	\$	0
4	Total	\$	4,300,000
5	Edison Schools		
6	Education	\$	19,200,000
7	Restricted/Other Funds	\$	0
8	Total	\$	19,200,000
9	CAO's High School Area & Office		
10	Education	\$	98,474,803
11	Restricted/Other Funds	\$	0
12	Total	\$	98,474,803
13	Subtotal - Chief Academic Officer		
14	Education	\$	397,929,638
15	Restricted/Other Funds.....	\$	49,680,346
16	Total	\$	447,609,984
17	Special Education and Student Support Services		
18	Special Education and Student Support Services		
19	Education	\$	181,165,790
20	Restricted/Other Funds	\$	37,373,722
21	Total	\$	218,539,512
22	Student Placement		
23	Education	\$	568,365
24	Restricted/Other Funds	\$	97,830
25	Total	\$	666,195
26	Out of County Placements		
27	Education	\$	4,810,433
28	Restricted/Other Funds	\$	0
29	Total	\$	4,810,433
30	Subtotal - Special Education and Student Support Services		
31	Education	\$	186,544,588
32	Restricted/Other Funds.....	\$	37,471,552
33	Total	\$	224,016,140
34	Chief Operating Officer		
35	Office of the Chief Operating Officer		
36	Education	\$	686,478
37	Restricted/Other Funds	\$	0
38	Total	\$	686,478

Council Bill 06-0421

1	Facilities Maintenance		
2	Education	\$	84,371,927
3	Restricted/Other Funds	\$	0
4	Total	\$	84,371,927
5	Student Transportation		
6	Education	\$	32,052,052
7	Restricted/Other Funds	\$	0
8	Total	\$	32,052,052
9	School Police		
10	Education	\$	6,652,656
11	Restricted/Other Funds	\$	0
12	Total	\$	6,652,656
13	Food Services		
14	Education	\$	0
15	Restricted/Other Funds	\$	22,783,270
16	Total	\$	22,783,270
17	Subtotal — Chief Operating Officer		
18	Education	\$	123,763,113
19	Restricted/Other Funds	\$	22,783,270
20	Total	\$	146,546,383
21	Chief Financial Officer		
22	Chief Financial Officer		
23	Education	\$	3,313,753
24	Restricted/Other Funds	\$	26,941,320
25	Total	\$	30,255,073
26	Information Technology		
27	Education	\$	33,212,026
28	Restricted/Other Funds	\$	0
29	Total	\$	33,212,026
30	Subtotal — Chief Financial Officer		
31	Education	\$	36,525,779
32	Restricted/Other Funds	\$	26,941,320
33	Total	\$	63,467,099
34	Debt Service		
35	Education	\$	13,683,779
36	Restricted/Other Funds ,	\$	0
37	Total	\$	13,683,779

Council Bill 06-0421

I Contingency Reserve

Education	\$	10,000,000
Restricted/Other Funds	\$	0
Total	\$	10,000,000

Total Expenses

Education	\$	942,165,753
Restricted/Other Funds.....	\$	151,354,371
Total	\$	1,093,520,124

SECTION 2. AND BE IT FURTHER RESOLVED, The foregoing amounts in summary are funded from the following sources:

City of Baltimore	\$	207,940,795
State of Maryland.....	\$	734,175,250
Federal	\$	144,606,633
Other	\$	6,797,446
Total	\$	1,093,520,124

SECTION 3. AND BE IT FURTHER RESOLVED, That the Capital Budget of Baltimore City Public School Systems consists of \$56,436,000 for the fiscal year ending June 30, 2007. Sources of these funds are \$17,000,000 from City of Baltimore General Obligation Bonds and \$39,436,000 from the State of Maryland.

The uses of these capital funds are for the following projects:

Systemic Improvements	\$	48,772,000
Asbestos Abatement	\$	640,000
Carver Voc-Tech High	\$	500,000
Highlandtown Elementary	\$	6,524,000
Total	\$	56,436,000

SECTION 4. AND BE IT FURTHER RESOLVED, That when enacted, this Resolution shall be certified to the State Superintendent of Schools.

SECTION 5. AND BE IT FURTHER RESOLVED, That this Resolution takes effect **July 1, 2006.**

Council Bill 06-0421

i 2 En

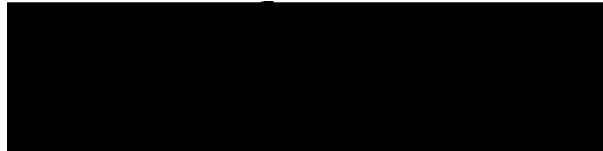
Certified as duly passed this _____ day of _____, 20____



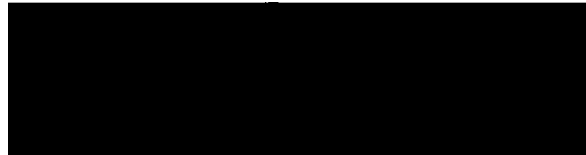
Certified as duly delivered to His Honor, the Mayor,

H1z 1

this _____ day of _____ 20____



Approved (tilt) **UN 16:06** 20____



Approved For Form and Legal Sufficiency

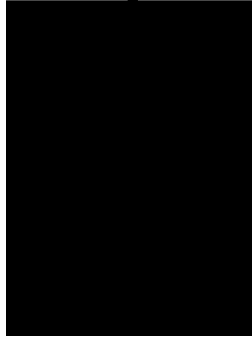
This **5th** Day of _____ - **(11)** •

Assistant Solicitor



A TRUE COPY

Edward J. Gallagher Director
of Finance



BUDGET CHIEF

Raymond S. Wacks

DEPUTY BUDGET CHIEF

Thomas P. Driscoll

PUBLIC POLICY ANALYSIS SUPERVISOR

Douglas E. Brown

BUDGET/MANAGEMENT ANALYST IV

Anna M. Brown Larry E. Shapiro

FISCAL RESEARCH ANALYST II

Brook Mamo

BUDGET/MANAGEMENT ANALYST III

Virginia H. Eckard

BUDGET/MANAGEMENT ANALYST II

S a m H e c k e r

Christine Zhu

BUDGET/MANAGEMENT ANALYST I

Pedro Aponte Senta Savici

OFFICE SUPPORT STAFF

Laverne Robinson, Secretary III

Martina Lee, Data Entry Operator III

Danara Ashe, Office Assistant II