

# Fiscal 2024 Preliminary Budget

**City of Baltimore**

Taxpayer Night  
April 26th 2023



**Brandon M. Scott**  
Mayor



**BMORE**  
BUDGET

# FY 2024 Budget Milestones...

5/10

BOARD OF ESTIMATES VOTES ON BUDGET

5/15

FISCAL 2024 ORDINANCE OF ESTIMATES TO CITY COUNCIL

5/25

CITY COUNCIL TAXPAYERS' NIGHT

5/30

FISCAL 2024 BUDGET HEARINGS

6/26

ORDINANCE OF ESTIMATES PASSAGE BY JUNE 26



Brandon M. Scott  
Mayor

BM  RE BUDGET

# FY 2024 Highlights



Brandon M. Scott  
Mayor

BM  RE BUDGET

# Fiscal 2024: Preliminary Outlook

- General Fund revenue is projected to grow by 4.6%, compared to 8% growth in General Fund expenditures.
- Expenditure growth is primarily driven by increase in the Local Share for schools costs, as established by State funding formulas.
- 84% of the revenue growth is dedicated towards meeting the increase in Schools costs.
- The Preliminary Budget was balanced by slowing expenditure grow through savings from vacant positions & reducing various agency expenditures.

## Revenue

**\$95M  
INCREASE**

## Expenditures

**\$159M  
INCREASE**



# Balancing the Fiscal 2024 Budget

## BALANCING ACTIONS

- The Preliminary Budget balances a \$64.0 million budget gap
  - \$24.6m realized through expenditure reductions & increases to locally controlled revenue
  - \$39.4m realized through one-time use of City fund balance

## USE OF FUND BALANCE

- The use of fund balance is being used as a one-time source to bridge the unanticipated increase in Schools costs

## Recommended Balancing Actions

Balancing Action	Amount
Savings from Vacant Positions	5,000,000
Targeted Expenditure Reductions	10,000,000
Reduced contribution for Rainy Day & OPEB Fund	6,000,000
Tax Credit Reform	1,500,000
Traffic Camera Redeployment	1,500,000
<b>Total Savings</b>	<b>\$24,600,000</b>



# Key Investments

The Preliminary Budget funds the full Local Share for City Schools and aims to make targeted investments in Core City services:

**FLEET  
EQUIPMENT**



**MINORITY AND  
WOMEN-OWNED  
BUSINESSES**



**OLDER ADULT  
SERVICES**



**VACANT  
BUILDINGS**



# Fiscal 2024 by the Numbers

FISCAL 2024	Recommended Amount	Change from Fiscal 2023, \$	Change from Fiscal 2023, %
Operating Plan	\$3.471 billion	\$154.6 million	4.66%
Capital Plan	\$887.9 million	\$95.3 million	12.02%
FISCAL 2024 General Fund	Recommended Amount	Change from Fiscal 2023, \$	Change from Fiscal 2023, %
Budget	\$2.170 billion	\$113.9 million	5.5%
Positions	9,887	413	4.4%



Brandon M. Scott  
Mayor



# FY 2024 General Fund Revenue Overview



Brandon M. Scott  
Mayor

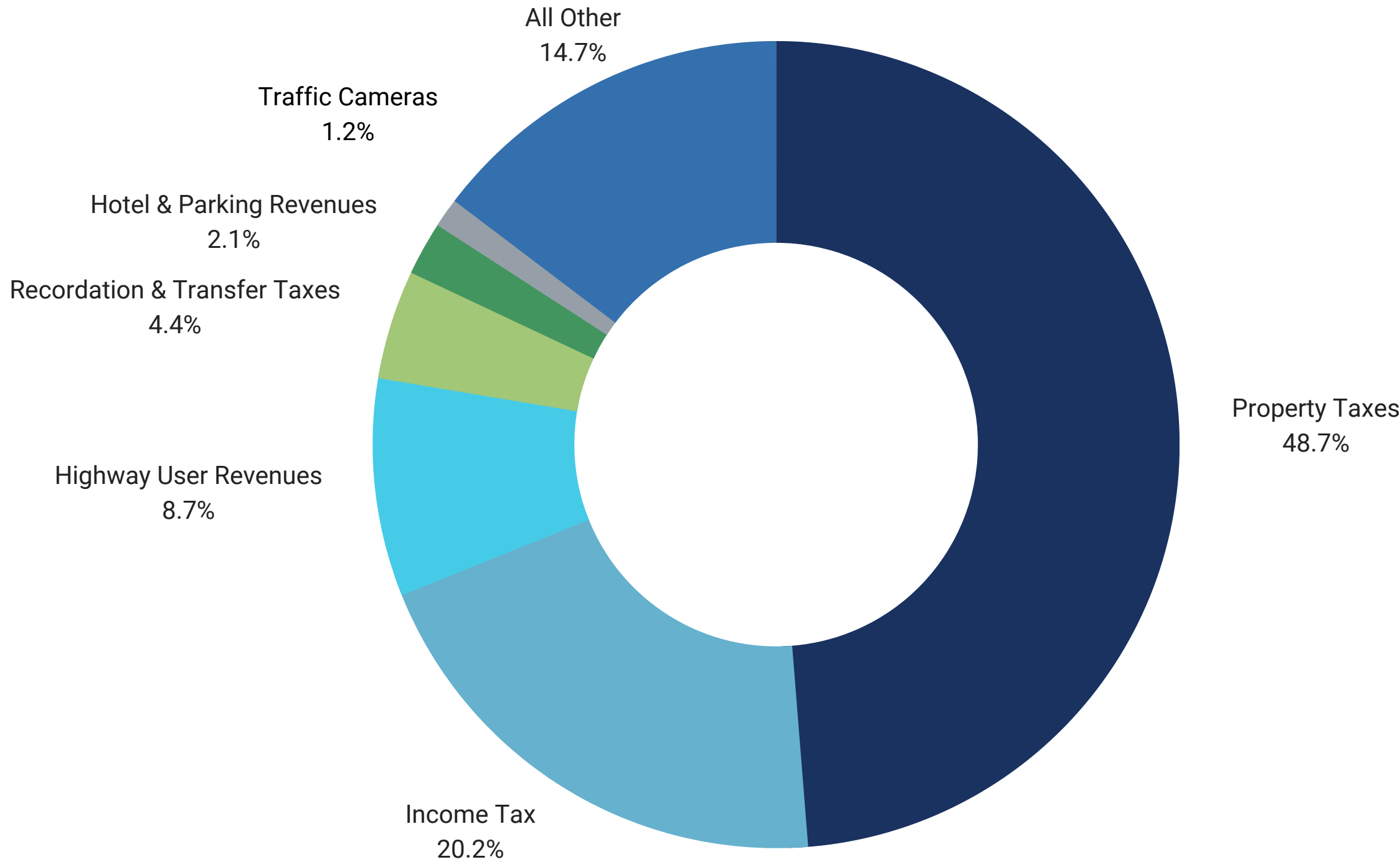
BM  RE BUDGET



# Where the Money Comes From



**Fiscal 2024 General Fund Revenues**  
\$2.2 billion



# Major Revenue Highlights

**Property Tax**  
 +\$29.0m; 2.8% Increase

- Fiscal 2024 will capture reassessments from this group; overall these assessments are up 21.6%.
- Fiscal 2024 represents the 10th consecutive year of assessment increases; the largest increase for any group during the past ten years.
- This is the first reassessment since the real estate boom in 2021 and 2022.

**Income Tax**  
 +\$16.7m; 3.9% Increase

- In December 2022, unemployment among City residents was at 4.4%, the lowest since January 2019.
- Tax returns by income bracket show the overall number of tax returns <\$60k decreasing and tax returns for residents making >\$60k increasing

**Highway User Revenue**  
 +\$23.4m; 13.8% Increase

- Fiscal 2024 is the first of five years when the City will receive higher HUR allocations, based on changes to State law passed in 2022.
- Actual revenues from 3 of the 5 revenue categories are trending down. These declines are offset by the share of corporate income taxes dedicated to HUR.

**Transfer & Recordation**  
 +\$6.8m; 7.6% Increase

- Transfer and Recordation revenue reached unprecedented levels in Fiscal 2022.
- The Fiscal 2024 budget assumes the real estate market returns to pre-pandemic levels.
- FY24 reflects higher property values, the average sold price increased by 15.2% from December 2021 to 2022.

**Tourism**  
 +\$5.6m; 13.4% Increase

- Hotel demand expected to reach 89.5% of pre-pandemic levels by the end of Fiscal 2024.
- Net Parking revenue up based on reductions to parking expenditures

**Traffic Cameras**  
 -\$4.4m; 14.5% Decrease

- Declining revenue is driven by the ongoing drop in the number of citations issued and the continued assumption of a 50% collection rate for citations.
- Budget assumes redeploying up to 69 cameras in Fiscal 2024.



# FY 2024 Expenditure Overview

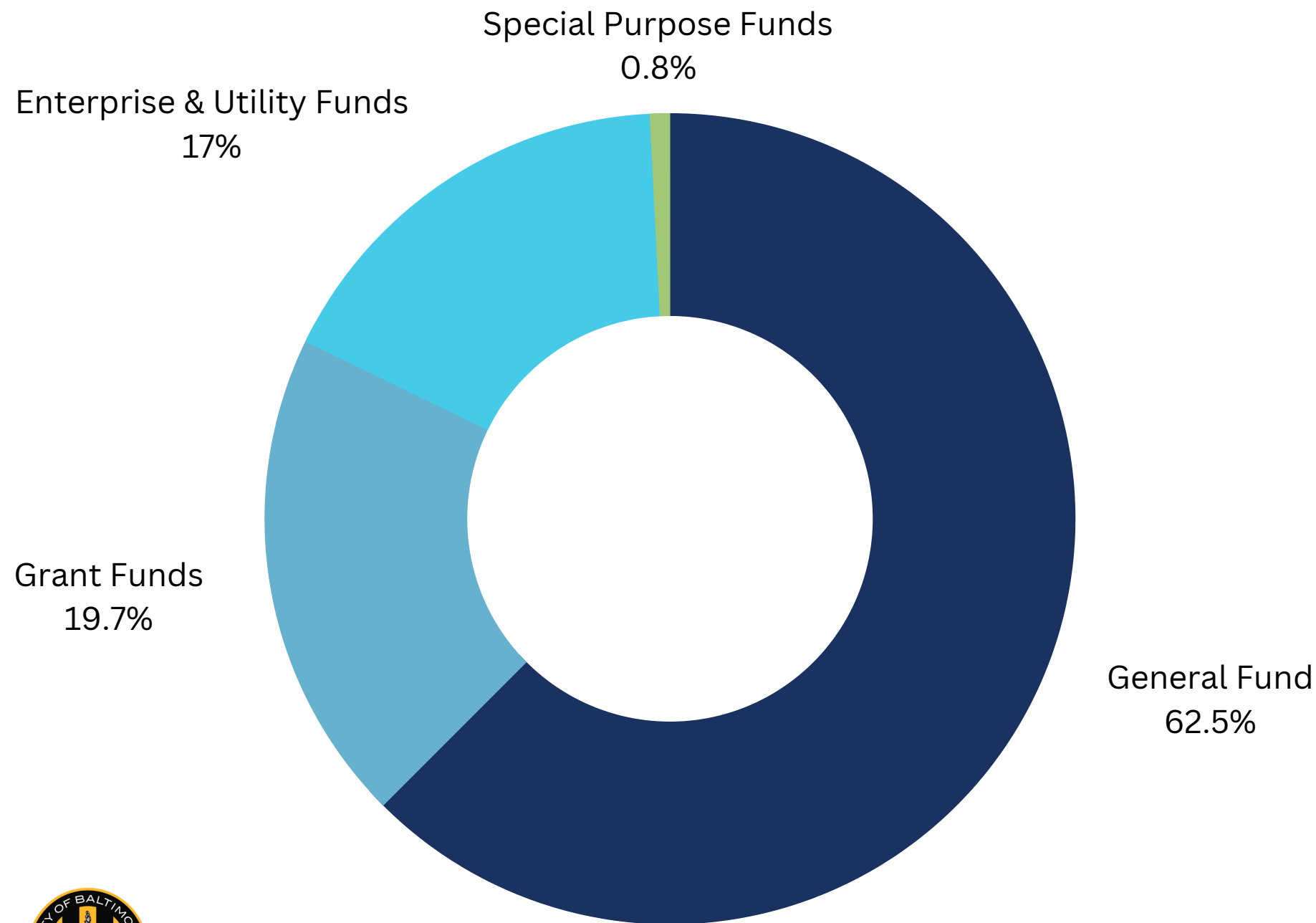


Brandon M. Scott  
Mayor

# Where the Money Goes

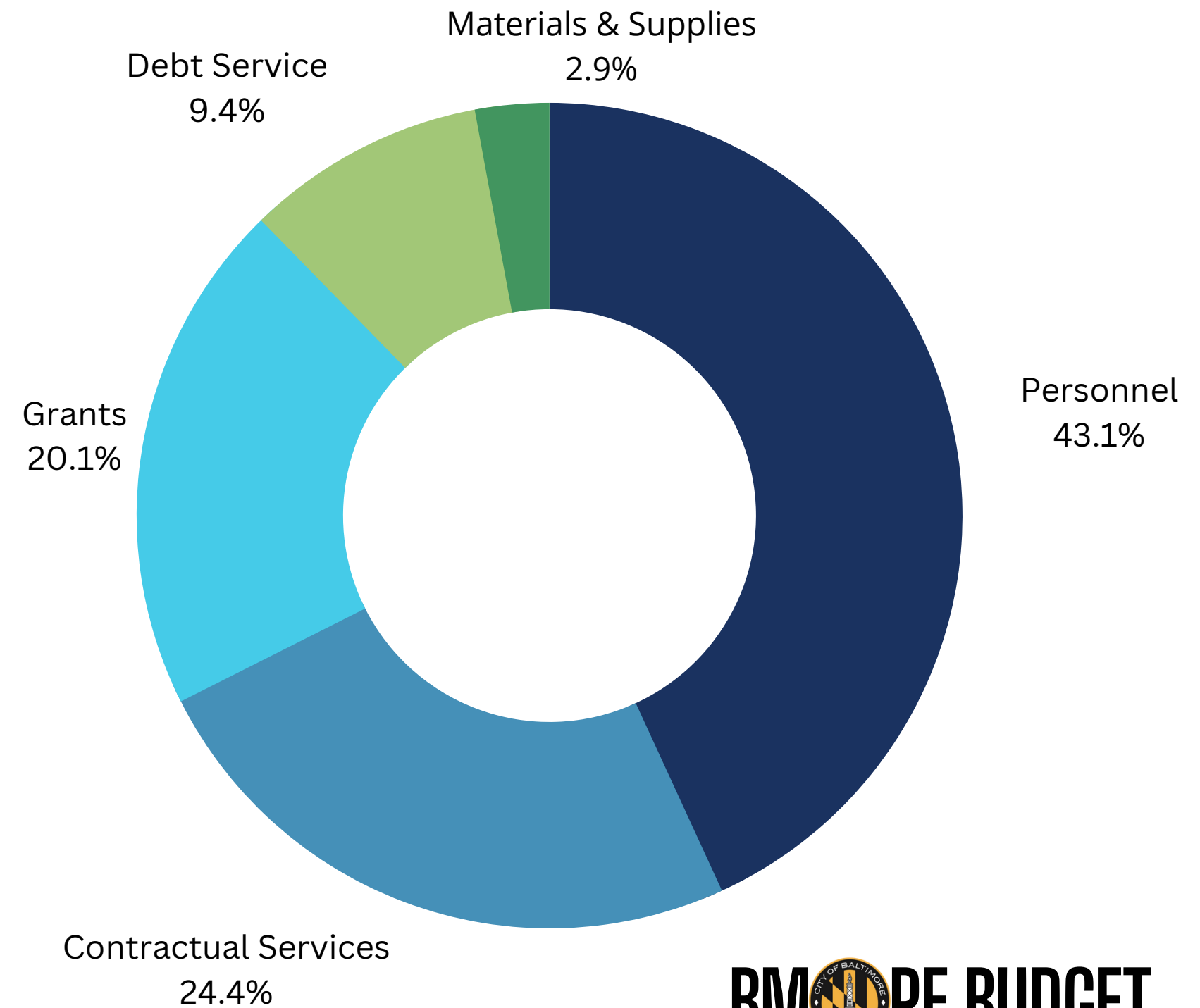
## Where the Money Comes From

\$3.5 billion



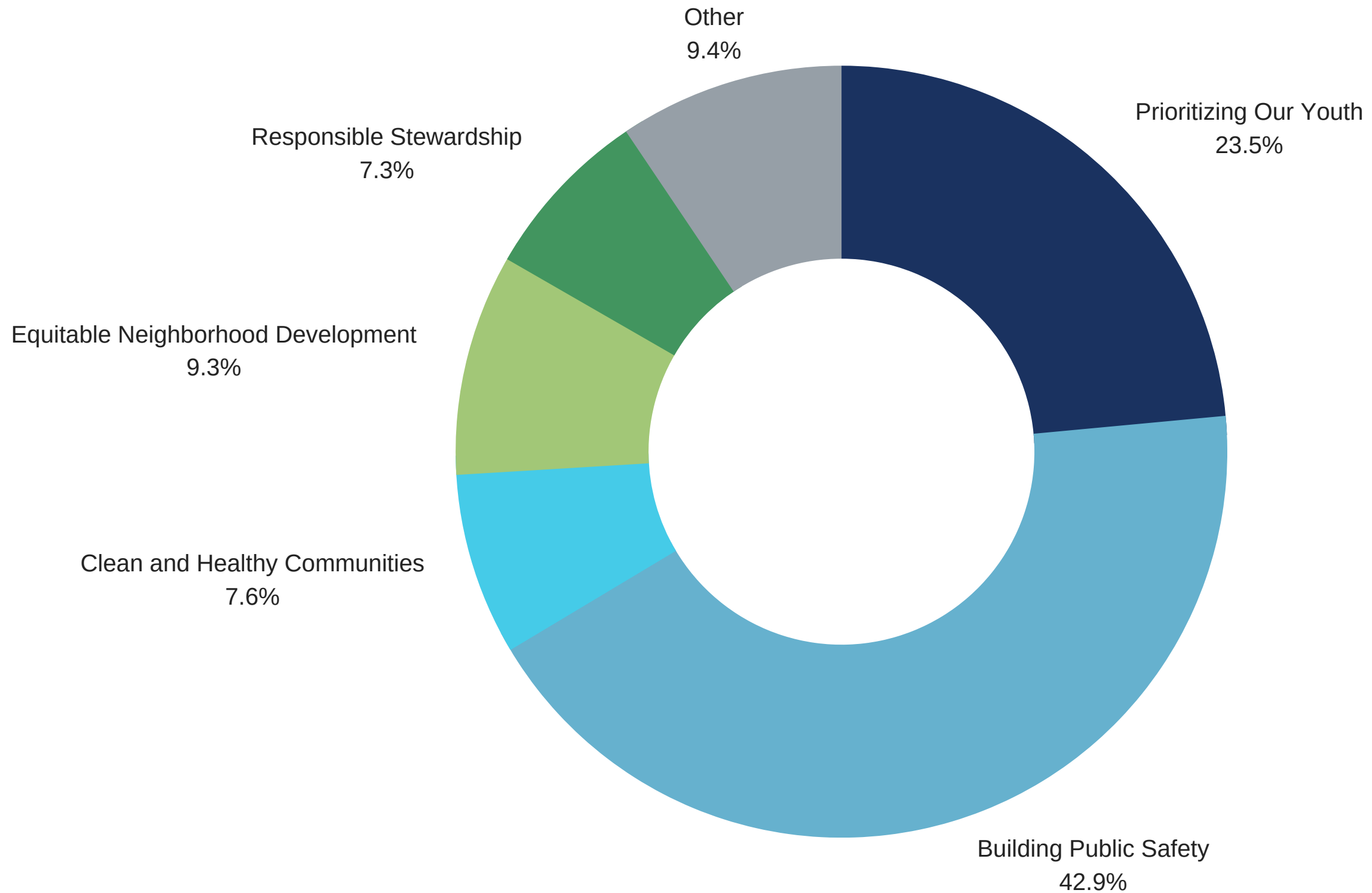
## How the Money is Used

\$3.5 billion



# Where the Money Goes

General Fund Expenditures by Pillar  
\$2.170 billion



Brandon M. Scott  
Mayor

# Major Expenditure Highlights

## Prioritizing our Youth

- Fully funding the operating costs for the City's inventory of Recreation Centers. Including costs associated with the reopening of the Carroll Park Recreation Center that will reopen in Fiscal 2024.
- Increasing the hourly wage for YouthWorks participants.

## Clean & Health Communities

- Increase funding for Services for Older Adults, including additional staffing for Senior Center.
- Creating 19 positions in Rec & Parks focused on maintaining the City's Parks and Rec Centers.

## Building Public Safety

- Creating 4 additional positions in the Fire Department focused on Safety in Fire Suppression.
- Full funding the Police Accountability Board created in 2022.

## Equitable Neighborhood Dev.

- Increased funding for Right to Counsel to support residents going through the eviction process.
- Additional funding for the Office of Equity and Civil Rights focused on Equity in City operation and policies.
- Creation of the Mayor's Office of Minority and Women's Business Development.

## Responsible Stewardship

- Funding for the CDL Incentive program providing incentives to City classifications requiring a CDL license.
- Increased funding for replacing assets as part of the Master Lease program.
- Additional staff support for planning and delivery of capital projects.



Brandon M. Scott  
Mayor



# Connect with Us!

**VISIT OUR WEBSITE FOR UPDATES:**

 [bbmr.baltimorecity.gov](http://bbmr.baltimorecity.gov)

**FOLLOW OUR SOCIAL MEDIA CHANNELS:**

 [@BaltimoreBudget](https://twitter.com/BaltimoreBudget)

 [@BaltimoreBudget](https://facebook.com/BaltimoreBudget)

 [@bmorebudget](https://instagram.com/bmorebudget)



Brandon M. Scott  
Mayor





## CAPITAL IMPROVEMENT PROGRAM

# FY24-29 Planning Commission Recommendations

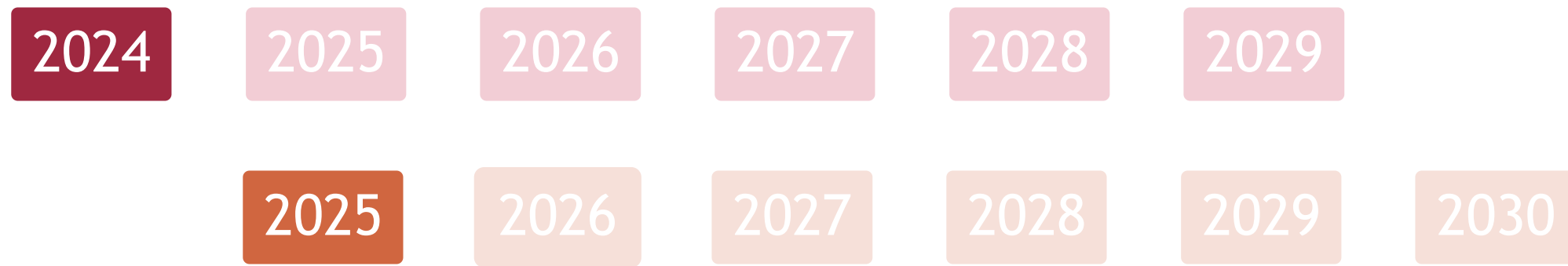
Board of Estimates Taxpayer Night

April 26, 2023



## Capital Improvement Program Overview

- By City Charter, the Planning Commission must submit a recommendation for the six-year Capital Improvement Program (CIP) to the Board of Estimates
- The budget year of the CIP becomes the basis for the capital component of the Ordinance of Estimates, adopted by City Council
- The six-year CIP begins again each year.



## Capital Project Requirements

The Board of Estimates (BOE) policy for a Capital Improvement is:

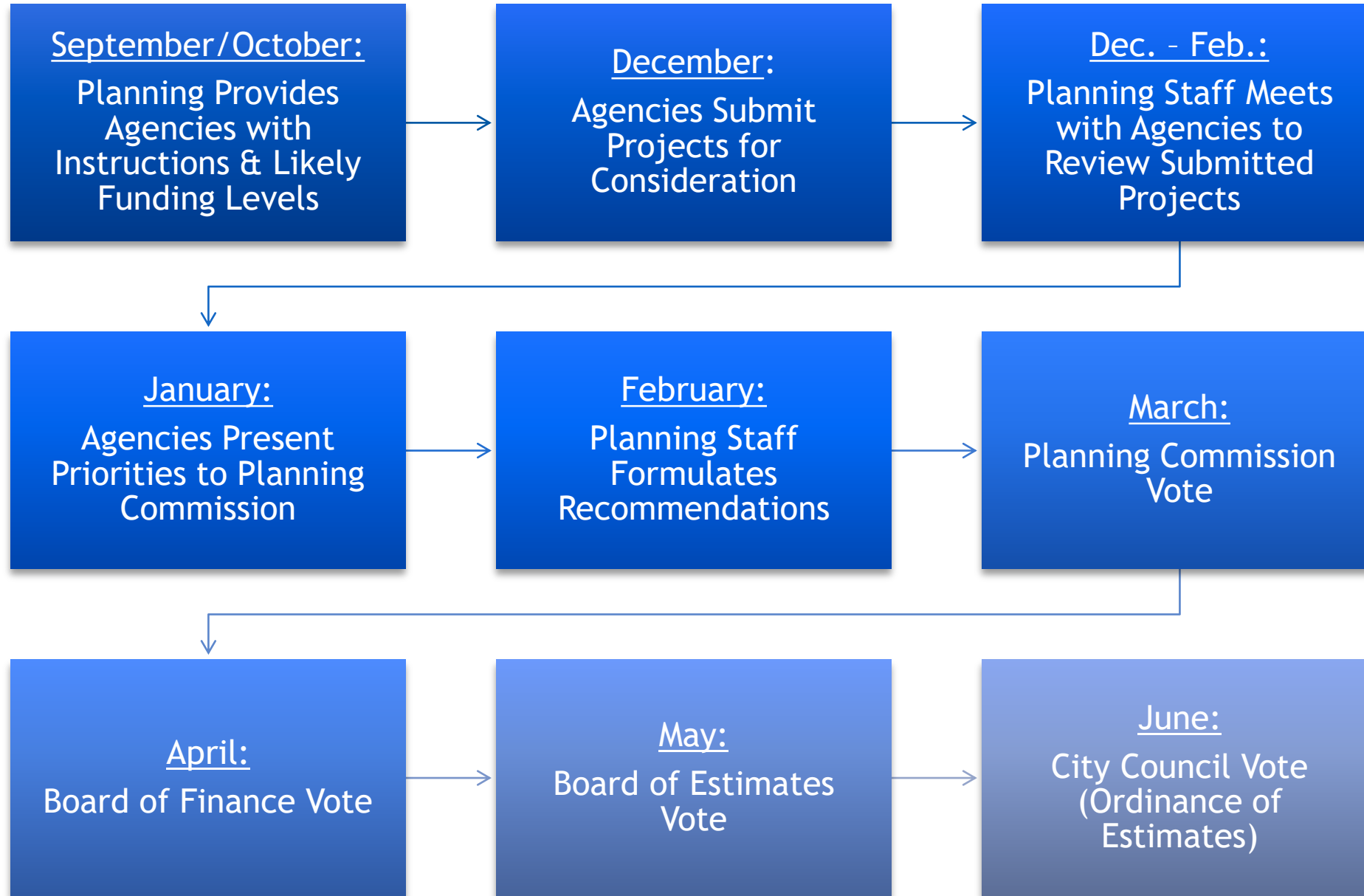
- A physical betterment or improvement and any preliminary studies relative thereto
- A Capital Improvement is NOT:
  - Improvements costing less than \$50,000,
  - Vehicular equipment,
  - Repairs or maintenance costing less than \$100,000 or emergency in nature, and
  - Salaries other than those which are capitalized as part of the cost of the project

## Examples of Capital Projects

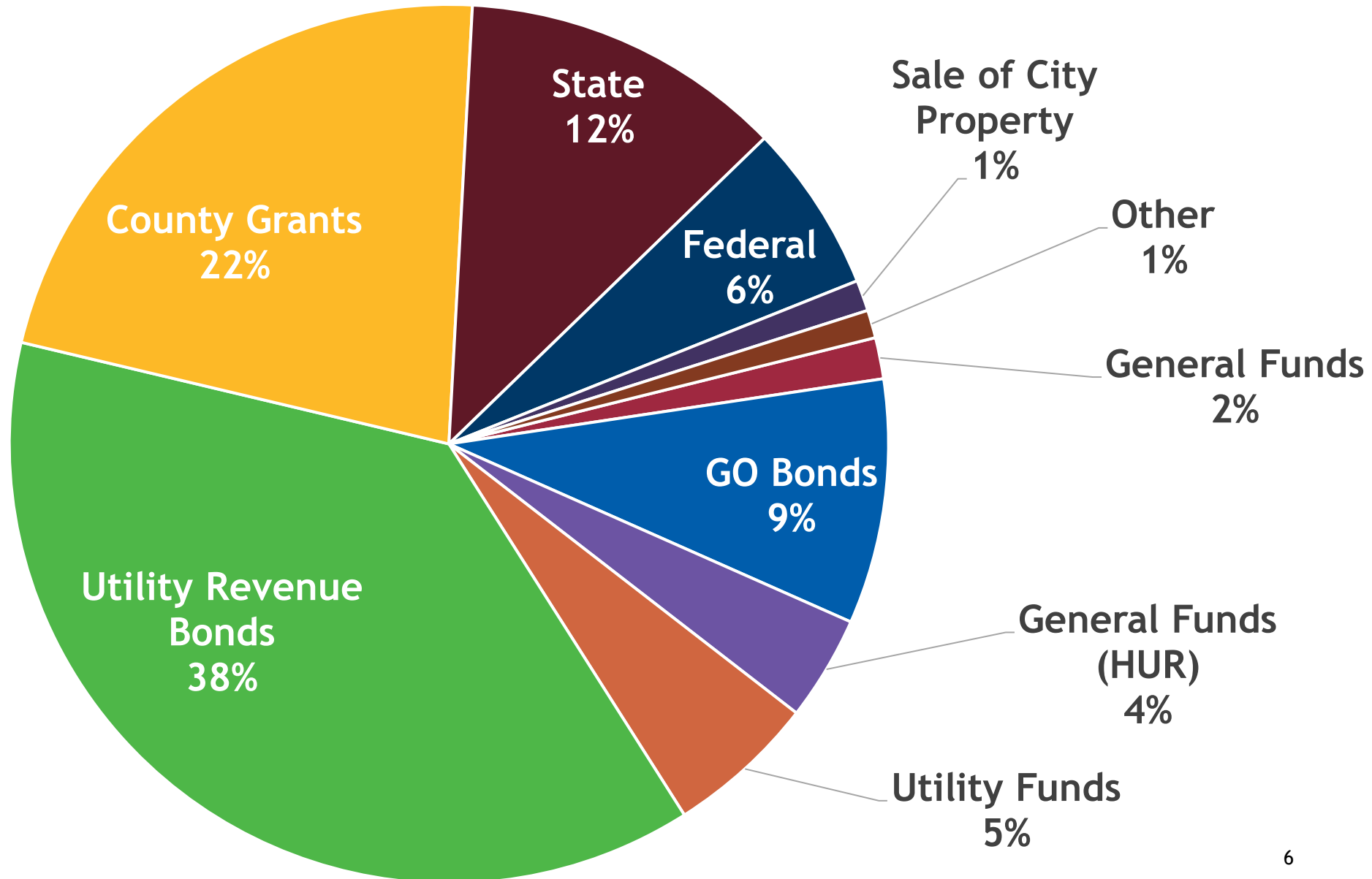
- Bridges
- Resurfacing & Bike Lanes
- Sidewalks
- Major Software Systems
- Cultural Attractions
- Schools
- Libraries
- Municipal Buildings
- Police & Fire Stations
- Senior Centers
- Recreation Centers
- Water/Sewer Pipes
- Treatment Plants
- Pumping Stations
- Demolition
- Housing Redevelopment
- Public Markets



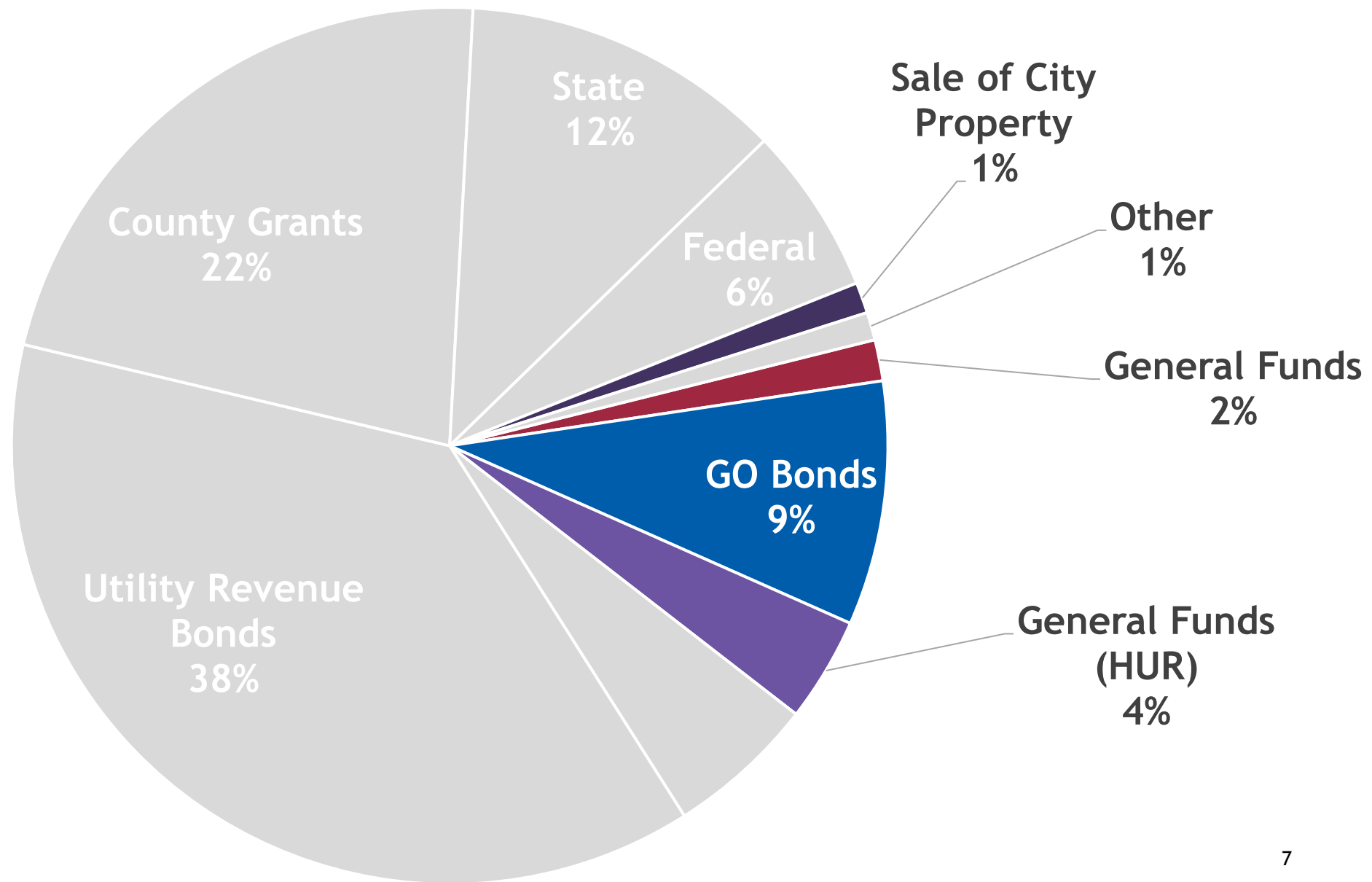
# Capital Planning Process



# FY24 Recommended Capital Budget by Fund Source



# FY24 Recommended Capital Budget by Fund Source - General Fund Backed Sources



## FY24 Recommended Capital Budget by Agency

Agency	General Fund Backed Sources	Total*
Public Works - Utilities	\$ -	\$589,334,000
Department of Transportation	\$ 35,690,000	\$ 91,755,000*
Department of Recreation and Parks	\$ 9,500,000	\$ 60,420,000
Housing & Community Development	\$ 26,900,000	\$ 45,275,000
Department of General Services	\$ 27,860,000	\$ 42,240,000*
City Schools	\$ 19,000,000	\$ 19,000,000
Public Works - Solid Waste	\$ 6,500,000	\$ 13,500,000
Pratt Library	\$ 1,700,000	\$ 13,728,000*
Baltimore City Info. Technology	\$ 7,000,000	\$ 7,000,000
Baltimore Development Corporation	\$ 1,950,000	\$ 4,450,000
Mayoralty	\$ 1,150,000	\$ 1,150,000
	\$ 137,250,000	\$887,852,000

# Capital Budget Fund Source Trends - General Fund Backed Sources

