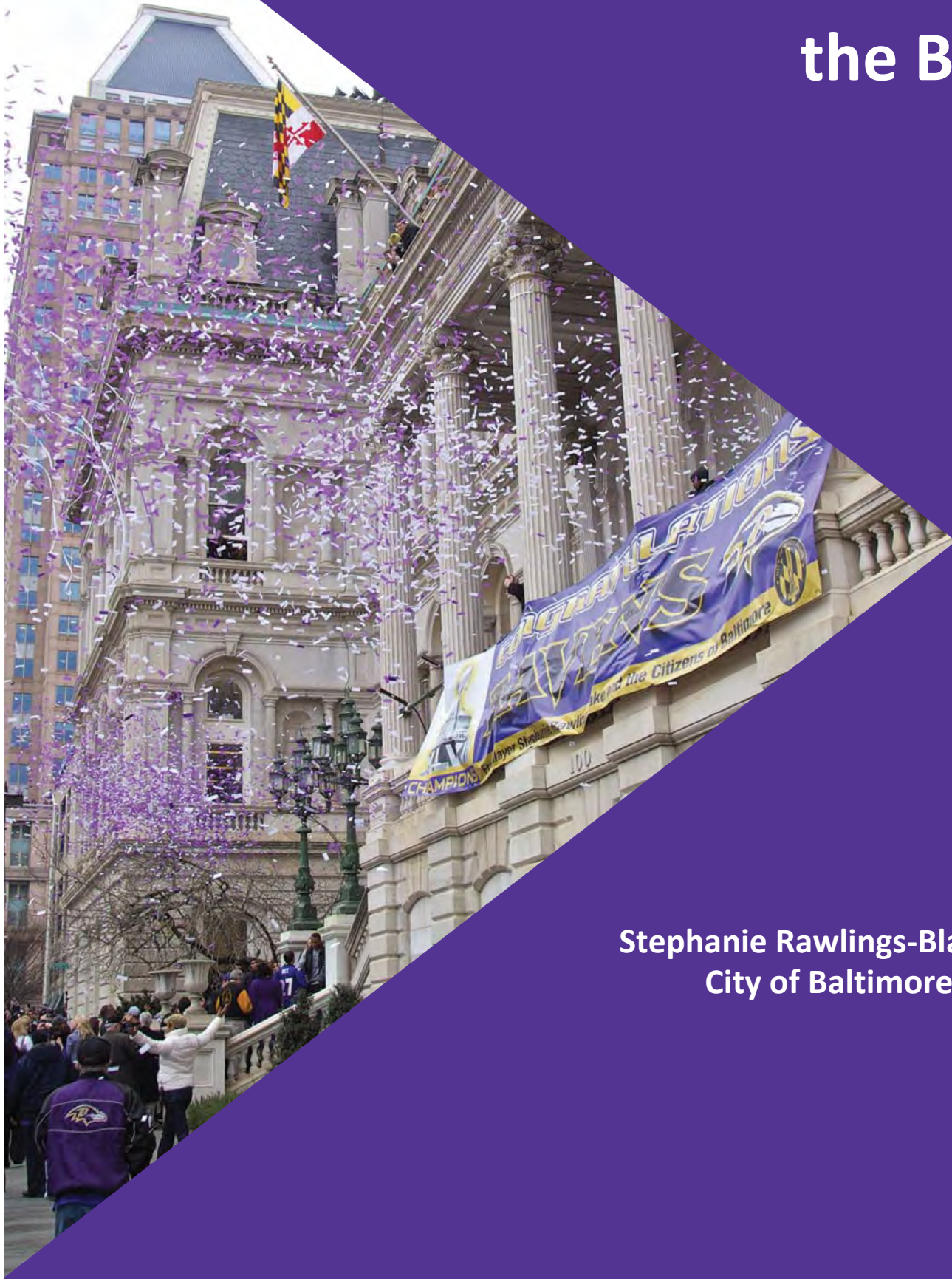


FISCAL 2014

Citizens Guide to the Budget



**Stephanie Rawlings-Blake, Mayor
City of Baltimore, Maryland**



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Mayor's Message



Dear Citizen,

Earlier this year, we released *Change to Grow: A Ten-Year Financial Plan for Baltimore*, a first-of-its-kind, long-term fiscal roadmap to help achieve our goal to grow Baltimore by 10,000 families over the next decade. This plan includes a bold set of major reforms to fundamentally change the way the city does business and is the foundation of the Fiscal 2014 budget. These proposed reforms will help get Baltimore growing again by:

- Eliminating a serious \$750 million structural budget deficit—protecting public safety and crime reduction efforts from budget cuts.
- Doubling city funding for school construction and renovation, which will help finance our historic \$1.1 billion effort to build 15 new schools and significantly renovate as many as 30 more.
- Allowing new investments in neighborhood infrastructure—including repairing roads and rebuilding ten recreation centers—and providing a funding surge for the demolition of more than 4,000 vacant homes.
- Further reducing the property tax burden on city homeowners.

The Ten-Year Financial Plan is the product of more than a year of careful study assisted by national financial experts, outreach and meetings with dozens of key stakeholders, and unprecedented collaboration between city agencies. Over the course of the next year, my administration will work in partnership with the City Council, all city employees, the citizens of our communities, and others to implement the strategies outlined in this plan.

Already this year, we are taking major steps to begin implementing the Ten-Year Financial Plan as part of the fiscal 2014 budget. The budget closes a \$30 million shortfall while fully funding the city's obligation to public schools, hiring hundreds of new police officers to keep crime going down, and providing funding for street repair and after school programs—all while cutting property taxes for city homeowners for the second year in a row.

The Fiscal 2014 Citizens' Guide to the Budget provides background into how the budget was formulated and key initiatives the City will be working on in Fiscal 2014 to bring my vision to a reality. I continue to place transparency at the center of Baltimore's budget process to allow you and your fellow citizens the opportunity to take an active role in the budget process so we can work together to Grow Baltimore.

A handwritten signature in blue ink that reads "Stephanie Rawlings-Blake". The signature is fluid and cursive.



Outcome Budgeting

Achieving Outcomes through the Budget Process

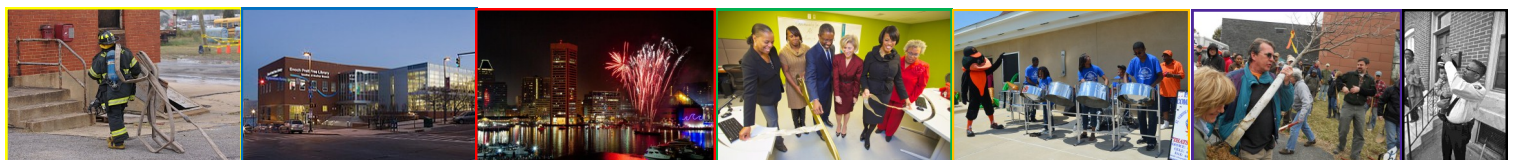
Baltimore's Fiscal 2014 budget is the City's fourth utilizing Outcome Budgeting. This process of budgeting aligns resources with the results that matter most to Baltimore's citizens. Through the Outcome Budgeting process the City has made strategic financial decisions geared towards achieving the Mayor's long-term vision of growing Baltimore by 10,000 families over the next decade. The Fiscal 2014 budget continues the City's focus on outcomes, closing a \$30 million shortfall by addressing structural financial challenges rather than imposing major service reductions.

Baltimore's Priority Outcomes

Baltimore's budget is built around six Priority Outcomes that are pivotal to growing Baltimore by 10,000 families over the next 10 years. Within each of these Priority Outcomes are five goals and indicators that allow us to know how we as a City are doing in working towards achieving the City's vision.

This document is organized by Priority Outcome and goal; each of the Priority Outcomes and goals are listed in the chart below. For each Priority Outcome you will see how the City has done so far against these goals and specific strategies that City services will be implementing during Fiscal 2014 to achieve these goals.

Better Schools	<ul style="list-style-type: none">• Increase Student Achievement• Decrease the dropout rate• Increase Kindergarten readiness• Increase reading proficiency• Increase percentage of graduating students that are college & career ready
Safer Streets	<ul style="list-style-type: none">• Increase citizens' perception of safety in the City• Decrease violent crime• Decrease property crime• Improve fire response times• Improve EMS response times
Stronger Neighborhoods	<ul style="list-style-type: none">• Reduce blight in Baltimore• Improve condition of private neighborhood properties• Improve quality of right-of-ways in neighborhoods• Improve satisfaction with neighborhood services• Increase citizen engagement
A Growing Economy	<ul style="list-style-type: none">• Increase the number of residents with a job• Increase businesses in Baltimore• Increase economic activity from tourism & entertainment• Increase retail activity• Increase citizen perception of cultural activities
Innovative Government	<ul style="list-style-type: none">• Maintain a well-trained workforce• Increase customer satisfaction• Reduce the City's energy costs• Reduce space utilization costs• Increase citizen access to City services
A Cleaner & Healthier City	<ul style="list-style-type: none">• Decrease number of alcohol & drug-related ER visits• Decrease health inequalities• Decrease infant mortality• Increase citizen satisfaction with City's cleanliness• Increase impervious surfaces treated for water pollutants

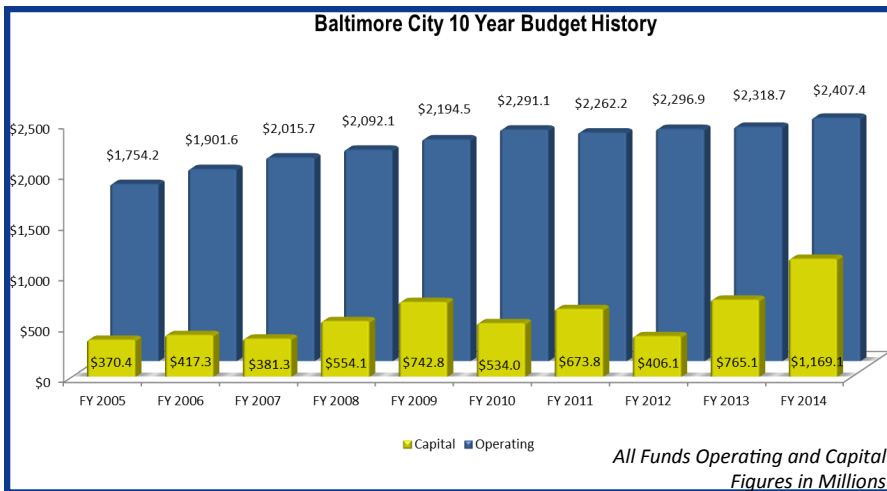


What is the City Budget?

Operating vs. Capital Budget

The budget is a proposed plan of revenue and expenditures for a given year. The City's total Fiscal 2014 recommended budget is \$3.6 billion. The budget is divided into two major categories: Operating and Capital. The operating budget currently represents 67.3% of the total City budget. This portion of the budget supports the day to day activities that keep Baltimore running.

The Capital Budget includes projects for physical improvements that cost more than \$50,000 and equipment and items for repair and maintenance that costs more than \$100,000. The capital budget represents the first year of the six-year Capital Improvement Program recommended by the Planning Commission. The capital budget currently represents 32.7% of the total City's budget, and is funded through a combination of local revenues, user charges, grants and debt financing.



This chart shows the ten year history of the City's operating and capital budgets. The operating budget grew an average of 3.7% per year from 2005-2014, but only 0.5% from Fiscal 2010 to Fiscal 2014. The capital budget varies significantly from year to year. For Fiscal 2014, the capital budget includes \$425.3 million in revenue bonds for water, wastewater and stormwater system improvements.

Budgetary Funds

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

General Fund

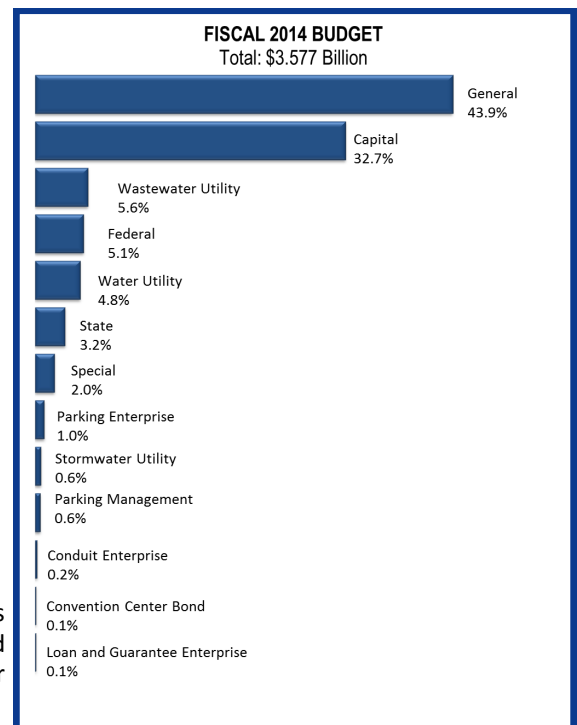
This is the City's largest and most important fund and contains all local taxes paid by City residents, businesses and visitors. This is the Fund over which policy makers have the most management discretion in order to implement service changes, improvements and increase or lower tax burdens.

Enterprise Funds

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

Grant Funds

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



Passing the Budget

Key Players in Budget Process

Mayor

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

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

Citizens

The budget is a reflection of citizens' priorities for Baltimore. Throughout the budget process citizens are looked to for ongoing consultation. During the budget process the City engages citizens by:

- Soliciting advice regarding priorities during the planning process through workshops and online budget forums
- Attending Taxpayer Nights held by the Board of Estimates and City Council to provide comments regarding the recommended budget
- Engaging City Council members and agency leadership regarding ideas to improve service delivery

Board of Estimates

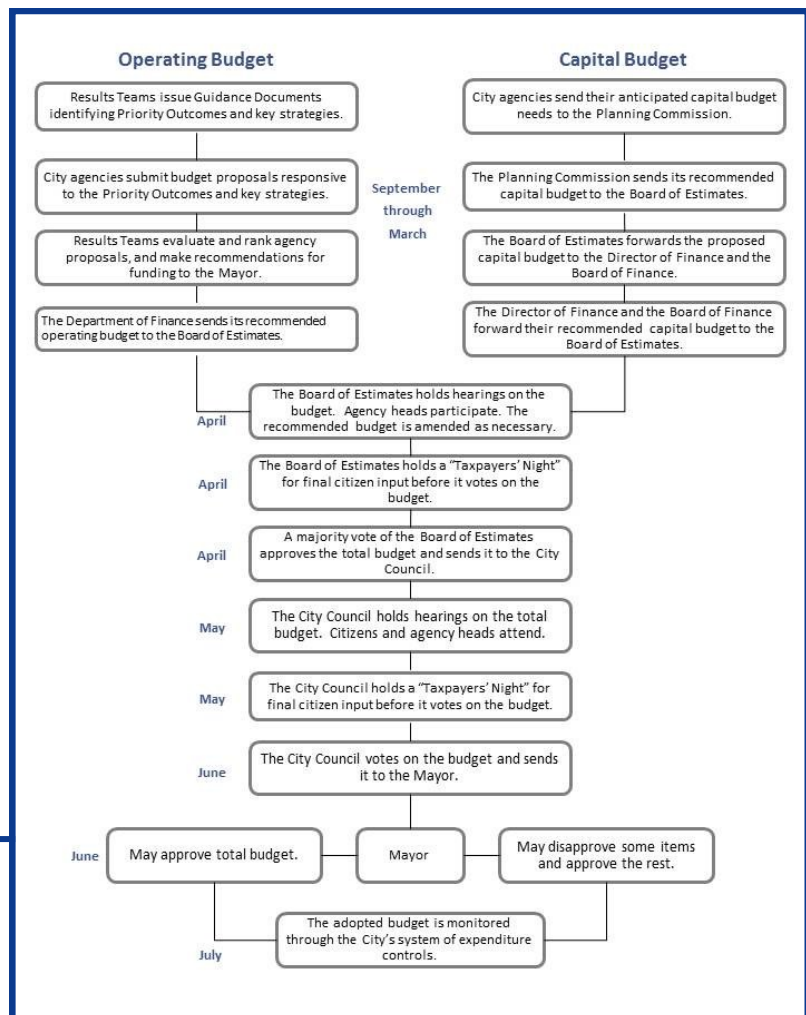
The Board of Estimates is composed of the Mayor, City Council President, Comptroller, and two designees appointed by the Mayor. The Board of Estimates is responsible for:

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

City Council

The City council is the City's legislative body made up of 14 members elected from districts and a President elected at-large. The City Council is responsible for:

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



Where the Money Comes From

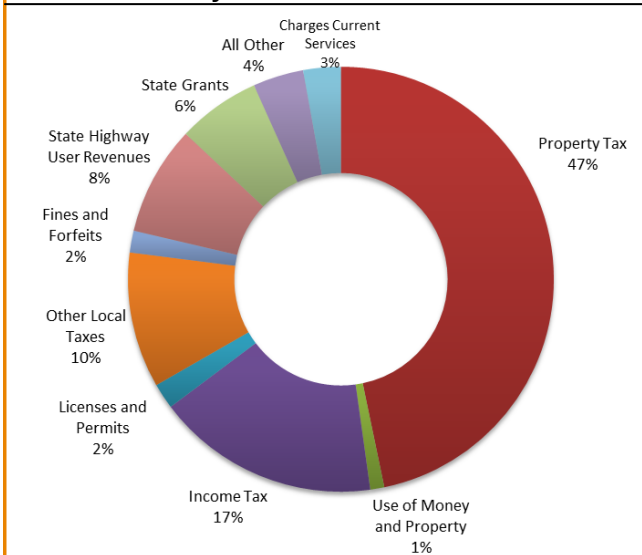


The Taxes You Pay

City residents and visitors pay a variety of taxes and fees to support the services that keep our City running. This chart shows the types of fees levied in Baltimore City and the rate for each fee. The Fiscal 2014, as part of the 10-Year Plan, includes three new types of revenue: the stormwater fee, taxi cab tax, and billboard tax.

Revenue Type	Rate
Property Tax	\$2.248 per \$100 of Assessed Property Value
Income Tax	3.20% of Taxable Income
Telephone Tax	\$4 per land and wireless line and \$0.4 for each Centrex line
Energy Taxes	Per Unit Consumed - Rate Varies by Type of Energy
Recordation Tax	\$5 per \$500 of the Consideration Value Subject to Recordation
Transfer Tax	1.5% of the Consideration Value Subject to Transfer
Admissions & Amusement	10% on the Gross Amount Paid for Various Admissions such as Sport Events
Parking Tax	20% of the Gross Amount Paid for Occupying a Parking Space
Billboard Tax	\$15 per square foot of electronic outdoor advertising displaying more than one image per day and \$5 per square foot for any other outdoor advertising display
Taxicab Excise Tax	25¢ per trip for each passenger transported within the City, from the City to a point outside the City and from a point outside the City to the City
Stormwater Fee	Quarterly fee payment is based on impervious area square footage of residential and commercial customers

Where the Money Comes From



the general fund by REVENUE SOURCE

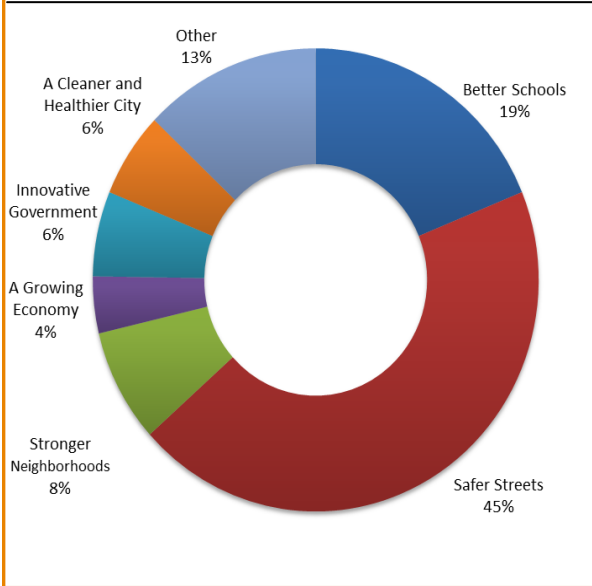
Most of the local fees and taxes that are collected by the City make up Baltimore's General Fund. This is the City's largest fund and the fund that decisions makers have the most discretion over in determining how to allocate resources. These funds support core City services that you are most familiar with.

Did you Know?

According to the 2012 Baltimore Citizen Survey, City residents cited public schools and reducing crime as their highest priorities. In Fiscal 2014 64% of the General Fund budget will be dedicated to services within these Priority Outcomes.

How the Money is Used

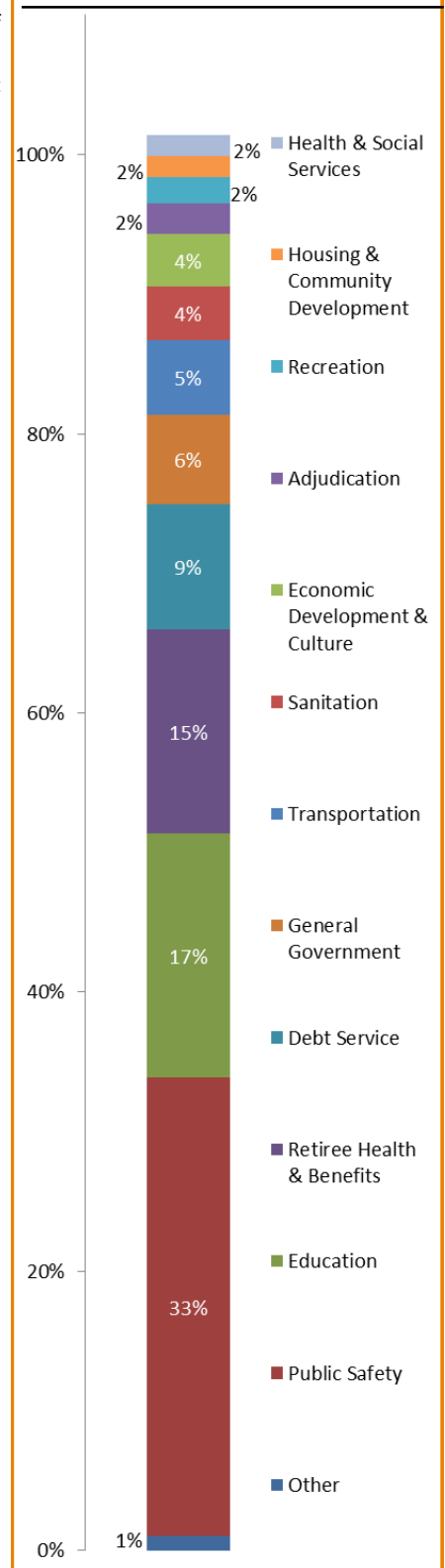
Priority Outcome



the general fund by FUNCTION

This chart shows a detailed breakdown of spending within each of the Priority Outcomes. The largest categories of spending are Public Safety and Education.

Function

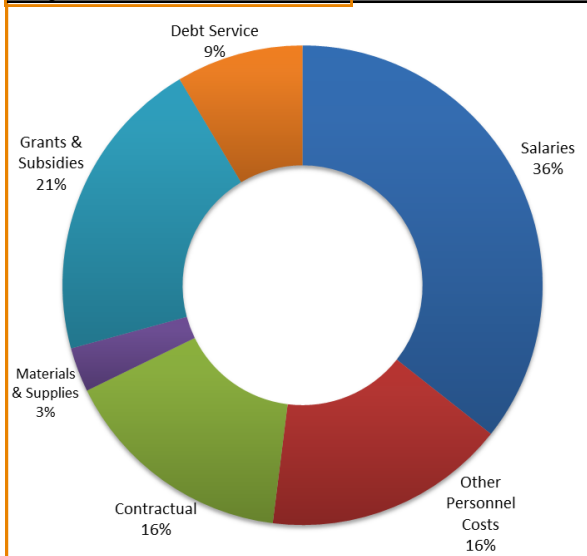


the general fund by

PRIORITY OUTCOME

These outcomes support the Mayor's vision to Grow Baltimore. Each City service falls under one of these outcomes. The Other category includes debt service payments, contingent funds, and miscellaneous expenses associated with operating the City.

Object



the general fund by OBJECT

Objects are categories of spending within the budget. The largest categories of spending are salaries and other personnel costs.

Change to Grow



Why Baltimore needed a long-term plan

In recent years, like many governments nationally, the City of Baltimore has seen its revenue eroded by the most severe economic downturn in generations, while key expenditure drivers such as employee healthcare and retirement costs have been growing at unsustainable rates. These challenges have been compounded by a longer-term legacy of aging infrastructure, high taxes, and sections of the City blighted by crime and vacant properties.

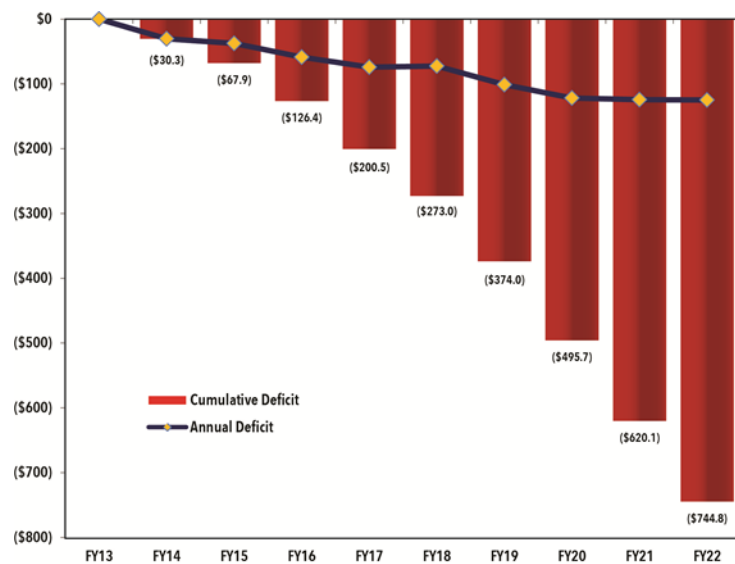
To address these structural challenges, the Mayor released *Change to Grow: A Ten-Year Financial Plan for Baltimore*. The Ten-Year Plan is a first-of-its kind, long-term fiscal roadmap to help achieve the goal of growing Baltimore by 10,000 families over the next decade. The Plan sets forth a set of actions designed to bring the City's recurring revenues and expenditures into alignment, while also prioritizing new investments to strengthen Baltimore's fiscal foundation and promote economic and community stability and growth.

You can access the plan in its entirety at www.bbmr.baltimorecity.gov.

Formulating the 10-Year Plan

The 10-Year Plan begins from a baseline analysis of the City's finances over the next ten years, which shows revenues not keeping pace with the cost of maintaining current service levels. A gap of \$30 million in Fiscal 2014 would grow to \$125 million annually by Fiscal 2022, resulting in a cumulative shortfall of \$744 million.

Further, the city's prospective fiscal gaps would be even greater if Baltimore were investing at sustainable levels in maintaining basic infrastructure and providing for actuarial funding requirements associated with current retiree medical benefits. Adding these costs would increase the cumulative shortfall by \$1.3 billion for a total shortfall of over \$2 billion.



Change to Grow



10-Year Financial Plan

Key 10-Year Plan Initiatives in the Fiscal 2014 Budget

Structural Budget Balance:

Fire Suppression Schedule: The Fiscal 2014 budget includes the negotiation of a new shift schedule for Fire Suppression personnel. Currently, firefighters work a four platoon system with two 10-hour day tours and two 14-hour night tours. Under the new contract firefighters will work 12.5% hours. Movement to the new schedule will result in a net reduction of 156 positions (to be achieved by attrition) and higher pay for remaining employees.

2% Pay Increase: The Fiscal 2014 budget includes a 2% pay increase across all unions, pending negotiation. Benchmarking with other public sector employers suggests that the City should rebalance its portfolio of wages and benefits by directing compensation dollars more toward wages while continually focusing cost containment efforts primarily on benefit programs.

Health Benefit Reform: Fiscal 2014 is the first full year of the City's new health benefit program, which is saving more than \$20 million a year while giving employees multiple coverage options.

Infrastructure Improvements

Stormwater Enterprise: State legislation enacted in April 2012 mandates that the City and other large Maryland localities establish a watershed protection program beginning July 1, 2013. The City has established a fee-supported stormwater enterprise which will remove the cost of stormwater remediation from the General Fund budget. This shift will allow for a 2-cent reduction in the City's current property tax rate.

One-Time Reserves for Capital Projects: The Fiscal 2014 Capital budget includes a one-time appropriation of \$30 million for capital projects. The City has transitioned to a debt financing model for vehicle purchases, allowing for the release of funds from the City's Mobile Equipment Reserve. Funds will be used for transportation projects (\$10M), blight elimination (\$10M), IT upgrades (\$5M), and recreation centers (\$5M).

Addressing Long-Term Liabilities

Employees' Retirement System Reform: The Fiscal 2014 budget includes changes that would ensure greater affordability and sustainability in the civilian employee pension system. New reforms will require employees to contribute to their pensions while establishing a defined-contribution plan for future hires.

Fire and Police Employee Retirement System Reform: In 2010 the City adopted a series of reforms for current FERS members to improve the long-term sustainability of the system. The Ten-Year Financial Plan calls for adopting a hybrid defined benefit/contribution system for future hires. Savings related to this initiative will begin to be realized in Fiscal 2015.

Retiree Pharmacy Coverage Sunset: Under the terms of the Affordable Care Act, by 2020 a standard Medicare Part D Plan will feature a 75% federal subsidy after deductible for pharmacy coverage. As a result, supplemental City coverage to fill the Medicare "donut hole" will no longer be needed. The City will be able to recognize the impact of this plan change by reducing its annual contribution to the retiree benefits trust fund.

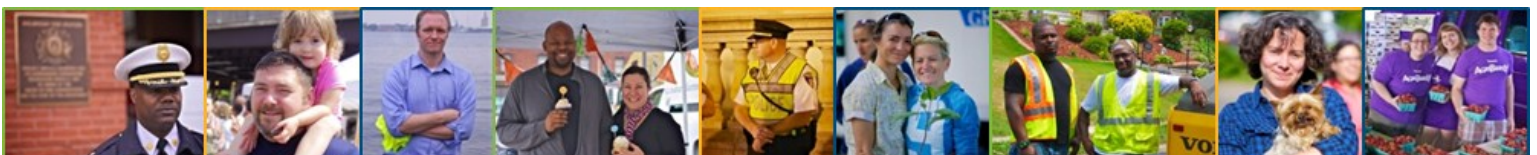
Tax Competitiveness

Targeted Homeowners Tax Credit: The Fiscal 2014 budget increases the Mayor's Targeted Homeowner Tax Credit. This credit will reduce the effective tax rate for owner-occupied properties by 20 cents by 2020.

Parking Tax: Beginning in Fiscal 2014 the Parking Garages and Lots Tax rate was scheduled to decline from 20% to 19%. The Fiscal 2014 budget maintains the rate at 20%, which is a \$1.3 million revenue increase over the baseline. The current rate is consistent with other large Eastern cities and is one of the few revenue streams supported by a significant number of commuters and visitors.

Taxi Cab Excise Tax: The Fiscal 2014 budget includes \$1.3 million annually from a new excise tax on taxi trips (\$0.25 per trip). This tax will also allow the City to capture additional revenue from visitors to the City.

Billboard Tax: The Fiscal 2014 budget includes \$1 million of revenue from an excise tax on outdoor advertising.

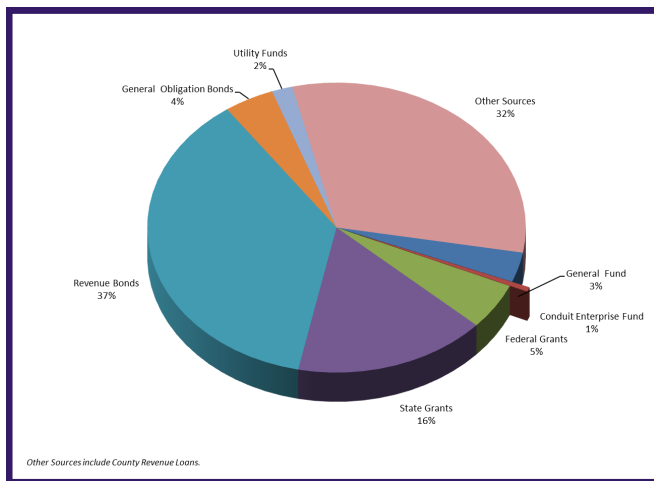


Capital Budget

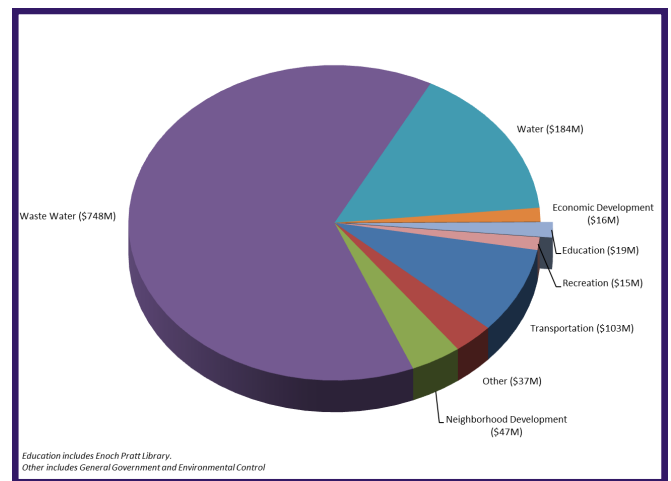
What's in the City's Capital Plan?

The City's Capital Improvement Plan is funded through State and federal grants, General Obligation (GO) Bonds, General Fund revenues, revenue bond proceeds and County payments (i.e., neighboring counties' share of water and wastewater utility improvements). The City embraces a Pay-As-You-Go capital funding policy, which annually finances a portion of capital improvements from current revenues of the General Fund and enterprise funds.

Fiscal 2014 Budget - Where the Money Comes From
Total: \$1.17 Billion



Fiscal 2014 Budget - How the Money is Spent
Total \$1.17 Billion



Featured Projects

Recreation & Parks

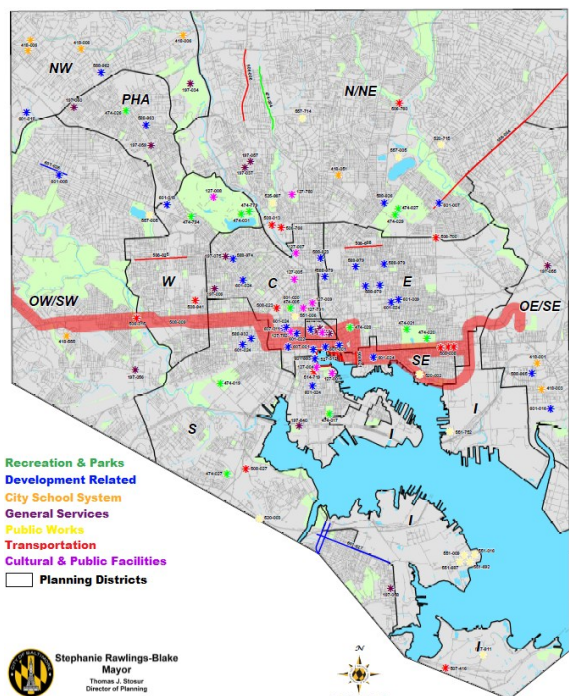
- Riverside Park Improvements
- Carroll Park Athletic Fields
- CC Jackson-Neighborhood Swimming Pool
- Recreation Center Mater Plan Implementation

City Schools

- Graceland Park-O'Donnell Heights PK-8
- Holabird ES/MS #229
- Waverly PK-8 School #51

Transportation

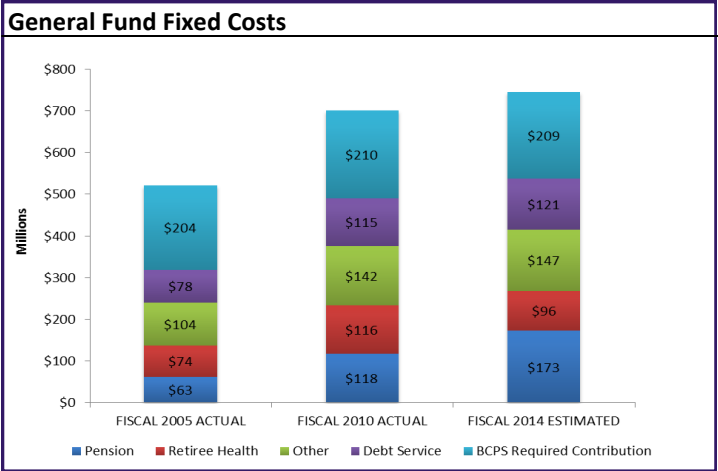
- Edmondson Ave Bridge Reconstruction
- Central Ave. Phase II Streetscape



Fixed Costs

Fixed Costs & Trends

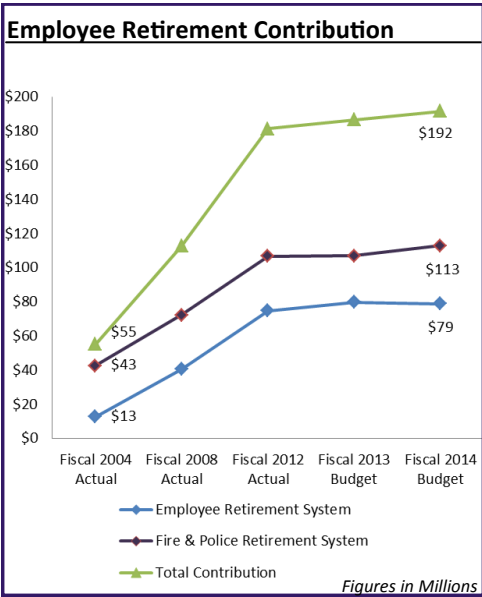
In general, "fixed costs" are costs that the City is required to pay by law or contract and cannot be easily reduced in the short-term. Fixed costs have grown dramatically in recent years. In Fiscal 2005, fixed costs totaled \$522 million and accounted for 39% of the City's General Fund revenue. By Fiscal 2010, fixed costs had increased to \$714 million and accounted for 48% of General Fund revenue. Since Fiscal 2010, due to a series of reforms, fixed costs have held steady at about 47% of General Fund revenue.



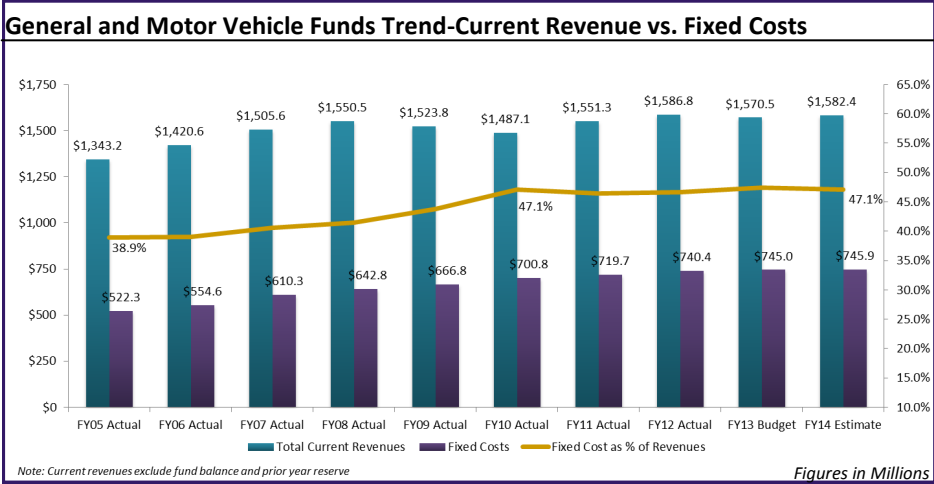
Did you Know?

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

rising PENSION COSTS



reducing FIXED COSTS



From Fiscal 2005 to Fiscal 2010, fixed costs grew by 43% and consumed a growing share of General Fund revenue. Since Fiscal 2010 fixed costs have held steady at 47% of General Fund revenue. Efforts to reduce fixed costs have included reforms for the Fire and Police pension system and for employee and retiree health benefits. The 10-Year Plan includes reforms to the civilian pension system as well as a new retirement plan for future Fire and Police hires.

The City's contribution to the Employees' Retirement Systems increased more than threefold from Fiscal 2004 to Fiscal 2014. The increase in the pension contribution has forced the City to make reductions in other service areas.

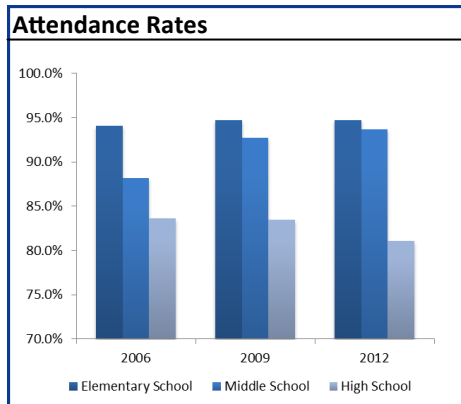


Better Schools

The City's Priority Outcome to foster Better Schools represents a commitment in Baltimore's greatest asset, our youth. Services funded in this Priority Outcome seek to promote lifelong learning opportunities, high quality educational opportunities outside the classroom, and promoting community engagement and partnerships to involve individuals and organizations in the City's educational process.

Increase Student Attendance

Positive attendance leads to increased student achievement, higher graduation rates, & graduates being career and college ready. In Baltimore, student



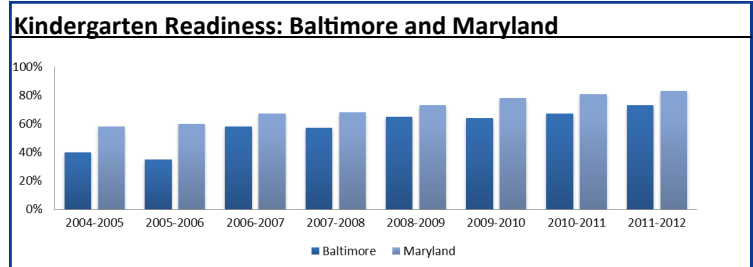
Source: 2012 Maryland State Report Card
attendance continues to decline as students move from elementary & middle school to high school.

To meet this goal in Fiscal 2014:

- School Health Services will operate 11 School-Based Health Centers and 192 health suites.
- The Mayor's Office of Employment Development will implement family engagement efforts to reduce chronic absenteeism.
- Increased funding for after-school and summer programming.

Increase Kindergarten Readiness

Kindergarten readiness is a key predictor to long-term academic success. Baltimore City's students continue to lag behind the Maryland state average for Kindergarten readiness.



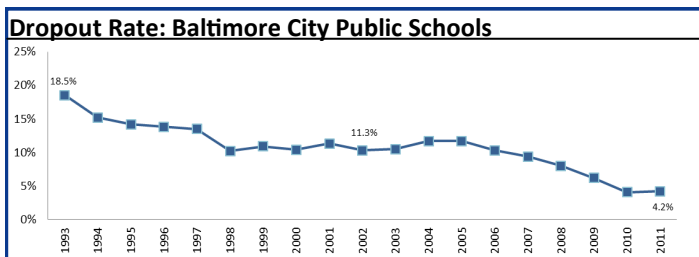
Source: 2012 Maryland State Report Card

To meet this goal in Fiscal 2014:

- Early literacy programs at library branches throughout the City.
- Head Start and Early Childhood Centers will provide evidence based programs focused on ensuring students develop strong academic habits at a young age.

Decrease the Dropout Rate

Baltimore's dropout rate has continued to decline since 1993.



Source: 2012 Maryland State Report Card

To meet this goal in Fiscal 2014:

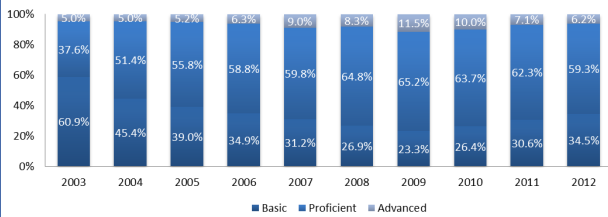
- The Family League of Baltimore will operate Community Resource Schools that focus on creating a smooth transition from 8th grade to 9th grade.
- The Mayor's Office of Employment Development will provide tutoring and study skill training as part of comprehensive drop out prevention strategy.
- The YO Academy will provide educational, occupational, and personal support services to out of school youth. The service anticipates 97% of participants will remain enrolled in educational programming at the end of the school year.



Increase Reading Proficiency

Students' reading level in 3rd grade is a foundation for learning moving forward. In 2012 nearly 35% of Baltimore 3rd graders were reading below the proficient level.

3rd Grade Reading Proficiency: BCPS



Source: 2012 Maryland State Report Card

To meet this goal in Fiscal 2014:

- The library will offer summer reading programs from June to August at all branch locations. The library anticipates reaching 44,000 with these services.



Increase Percent of Graduates who are College & Career Ready

Baltimore City's graduation rate in 2011 was 72%; however, between 30 and 40% of those students going onto college needed at least one remedial course to be properly prepared for college courses.

Graduation Rates Baltimore City Public Schools



Source: 2012 Maryland State Report Card

To meet this goal in Fiscal 2014:

- The Mayor's Office of Employment Development (MOED) will offer job training and college prep programs for area youth.
- MOED will also provide Career Navigators to offer career exploration services including: mock interviews, job searches, & job shadowing. The current level of service will be maintained.

Did you Know?

The Baltimore Office of Promotion and Arts (BOPA) provides after-school programming for Baltimore City students; this program, known as BRIGHT StARTS, hosts workshops in under-served portions of the City to teach kids about art and offer cultural enrichment.



Safer Streets

Safer Streets includes core public safety functions such as targeted police deployment and fire safety measures. This Priority Outcome encompasses agency actions as diverse as zoning classification, the design of buildings and public spaces, traffic and transit design, outreach to at-risk youth, and offender re-entry services.

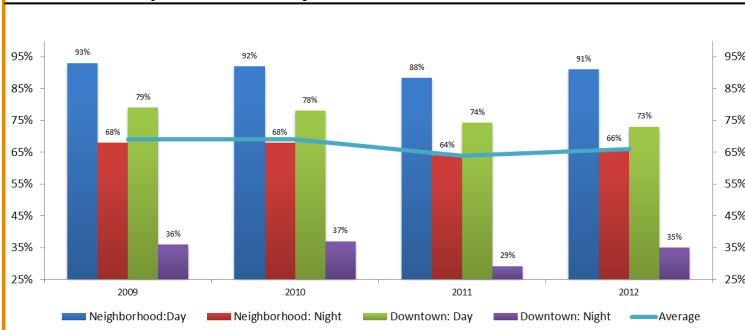
Increase Citizen Perception of Safety

Citizen perception of safety increased 2% from 2011, but continues to lag behind 2009 and 2010 levels. Citizens tend to feel safer in their own neighborhoods when compared to the downtown area.

To meet this goal in Fiscal 2014:

- The Police Department will continue efforts to hire new officers and work to reduce overtime spending.
- The Sheriff's Office will take over the process to improve the service of peace orders, which play a critical role in preventing domestic violence.
- The Fire Department will carry out public safety campaigns and provide smoke alarms.
- The Mayor's Office of Criminal Justice will operate 600 crime cameras to deter illegal activity and assist arrests.

Citizen Perception of Safety

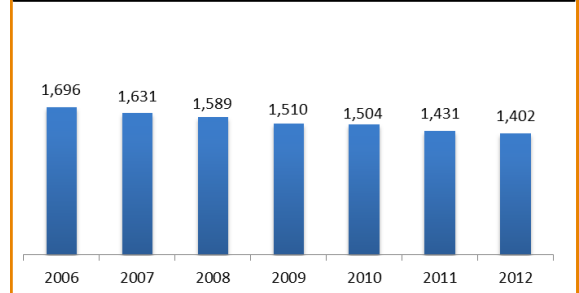


Source: Baltimore Citizen Survey

Decrease Violent Crime

Baltimore's violent crime rate has been trending downward since 2006. To make Baltimore safer, this goal focuses on reducing gun crime and juvenile victims of crime.

Baltimore's Violent Crime Rate (Per 100,000)

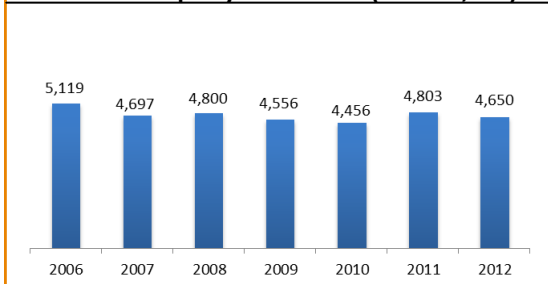


Source: Baltimore City Police Department

Decrease Property Crime

Property crime consistently ranks as a top citizen concern among Baltimore residents. The property crime rate decreased by 3% from 2011 to 2012.

Baltimore's Property Crime Rate (Per 100,000)



Source: Baltimore City Police Department

To meet this goal in Fiscal 2014:

- Police Crime Investigation will assist Special Operations in closing burglaries. In Fiscal 2014 the service will seek to close 1,200 cases.

To meet this goal in Fiscal 2014:

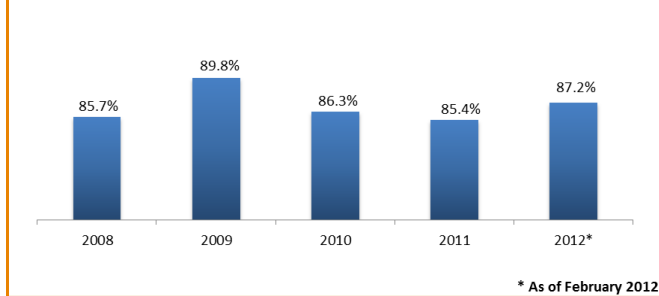
- The Health Department will continue youth violence prevention efforts focused on reducing shootings and homicides. In Fiscal 2014 the City will expand Safe Streets programming from two sites to four.
- Police Crime Investigation will continue to respond to all violent criminal activity that takes place in the City. The service anticipates a 53% clearance rate for homicides.
- The crime laboratory will conduct lab work for investigations related to violent crime, in the Fiscal 2014 the service will work to decrease turnaround time by 2 working days.



Improve Fire Response Time

According to the 2012 Citizen Survey, fire related services are the most important services provided by the City. Fire response times continue to improve as the percentage of fire response time meeting national standards has increased from 2011 to 2012.

Fire Response Times Meeting National Standards



Source: Baltimore City Fire Department

To meet this goal in Fiscal 2014:

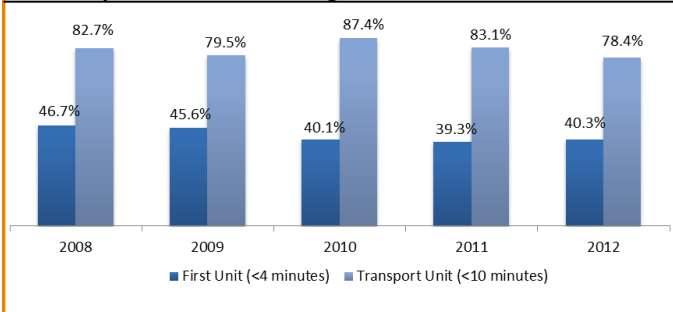
- The Fire Department will provide fire protection and emergency rescue efforts.
- 911 call centers will upgrade technology improving the service's ability to monitor and dispatch emergency calls for Fire and Police assistance.
- Fire Facilities Maintenance and Replacement will maintain over 350 pieces of fire equipment. The Fiscal 2014 budget includes \$2.1 million to support the purchase of 4 trucks, 4 engines, and 12 medic units. This represents the most significant apparatus purchase in over 10 years.



Improve Emergency Medical Service Response Time

Baltimore citizens rate Emergency Medical Services and ambulance services as the 2nd most important service provided by the City. First Unit responders slightly improved response times from 2011 to 2012.

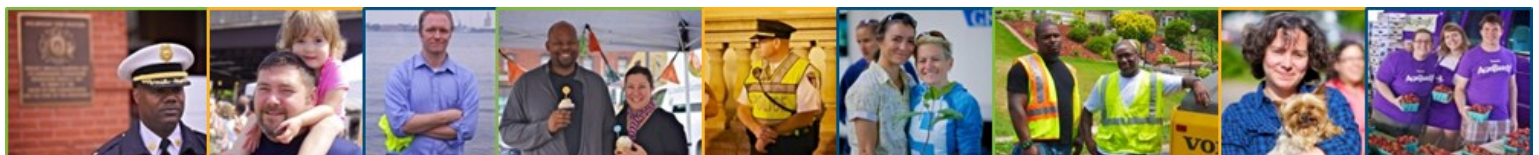
EMS Response Times Meeting National Standards



Source: Baltimore City Fire Department

To meet this goal in Fiscal 2014:

- Emergency Medical Services will implement AVL technology that will help the service respond more effectively to 911 calls for service. The service anticipates a 10% improvement in response time compared to Fiscal 2012.
- The Fire Department will undertake efforts to increase the recruitment of paramedics.
- In cooperation with the Health Department the Fire Department will continue to implement Operation Care to provide case management to frequent 911 callers.



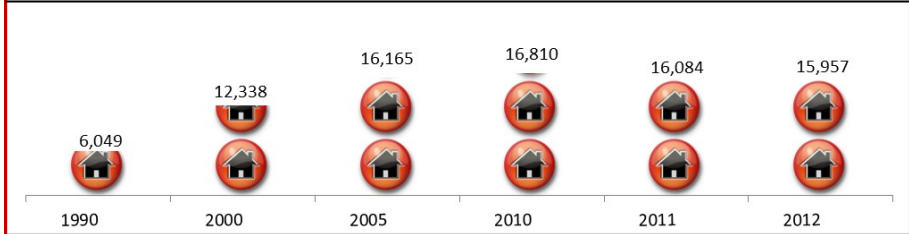
Stronger Neighborhoods

Strong neighborhoods are those with optimum levels of homeownership, engaged neighbors and strong community organizations which embrace a diversity of people and lifestyles. Strong neighborhoods offer access to community services and volunteer opportunities as well as other services such as homeownership and financial counseling.

Reduce Blight in Baltimore

The number of vacant properties peaked in 2006; since then the number of vacant properties has decreased 6%. Reducing the number of vacant properties is a crucial component of the Ten-Year Financial Plan. Funding will increase fourfold to demolish those properties where renovation is no longer an option. This effort will help to promote urban greening, increase public safety, and strengthen the City's tax base.

Vacant and Abandoned Residential Housing Units



Source: Baltimore City Department of Housing & Community Development

To advance this goal in Fiscal 2014:

- The budget supports the Vacants to Value program by increasing capital funding for blight elimination and providing a one-time funding surge of \$10 million for whole-block demolition and relocation.
- The Department of Housing and Community Development will promote creative reuse strategies for vacant lots including the Side Yard and Adopt a Lot programs.
- The Department of Planning, through Historic Preservation, will promote neighborhood revitalization by focusing on increasing the number of landmark designations.

Improve Condition of Private Neighborhood Properties

The number of permits peaked at 14,743 in 2007 and has declined 44% over the past 5 years due to the economic downturn.



Source: Baltimore City Department of Housing & Community Development

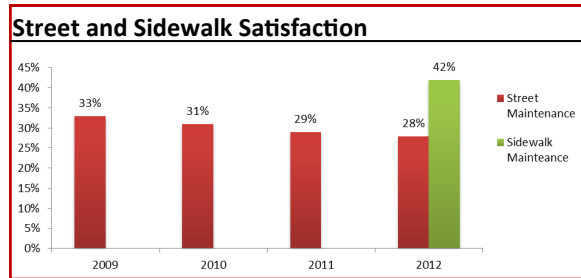
To advance this goal in Fiscal 2014:

- The budget reduces the effective property tax rate for City homeowners to \$2.168 per \$100 of assessed value, representing a ten cent (4.5%) cut over two years under the *20 Cents by 2020 Initiative*.
- The permitting process will become increasingly user friendly by developing online tools for property owners to complete registration requirements.
- Weatherization efforts will streamline the enrollment process to ultimately serve more families in a shorter time frame.
- The budget supports home ownership incentives to prospective home buyers to encourage long-term home ownership.
- The Department of Public Works will Implement a proactive mowing schedule that will ensure city-owned vacant lots are mowed on a more consistent basis.



Improve Quality of Neighborhood Right-of-Ways

Citizen satisfaction levels with street maintenance has declined 5 percentage points since 2009. Citizens cite street maintenance as a highly important service with an overall low satisfaction rate.



Source: Baltimore Citizen Survey

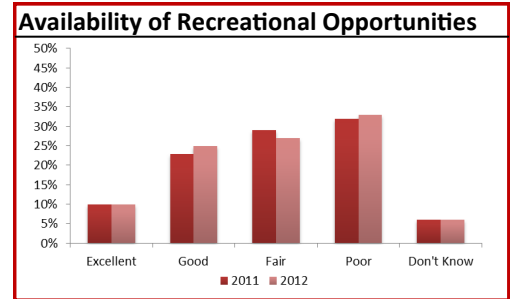
To advance this goal in Fiscal 2014:

- The budget includes a \$10 million investment to support repaving. In Fiscal 2014 200 lane miles of City roadways will be repaved.
- The budget continues funding for the Traffic Management Center to monitor traffic patterns to ensure optimal travel times throughout the City. The Department of Transportation will continue to deploy Special Traffic Enforcement Officers and oversee the City's traffic lights and signs. These services will work together to ensure 90% optimal travel times in the City's gateways.



Increase Citizen Satisfaction with Neighborhood Services

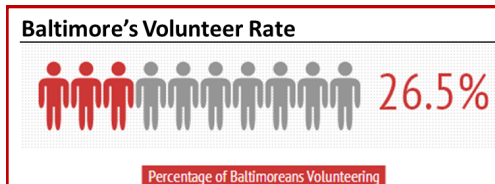
Citizen perception regarding availability of recreational activities was consistent from 2011 to 2012. Approximately one-third of residents rate the availability of



opportunities as good or excellent. Source: Baltimore Citizen Survey

Increase Civic Engagement

Baltimore's volunteer rate has hovered between 25 and 30% since 2004. Citizen engagement



Source: Corporation for National and Community Service

and volunteerism are key factors in developing strong neighborhoods where citizens are vested in the future of the community.

To advance this goal in Fiscal 2014:

- The Department of Recreation and Parks will continue to implement the Baltimore Urban Farm Initiative. In Fiscal 2014 the service will seek to rent out 861 urban farm plots, up from 661 in Fiscal 2012.
- The Power in Dirt initiative will continue to make it easier for residents who have always wanted to improve their neighborhoods to get involved in adopting vacant lots. So far, 737 lots have been adopted with 80% of these lots revitalized and maintained.

To advance this goal in Fiscal 2014:

- The budget supports a Memorial Day to Labor Day pool schedule at the City's park, walk-to, and wading pools in addition to 2 splash pads.
- The budget includes \$1.2 million for after-school Recreation Centers. The budget also includes funding to purchase new equipment at newly opened Rec Centers and \$5 million in capital funding to continue upgrades and expand existing Recreation Centers.
- Continued funding for the Charm City Circulator. The Department of Transportation will continue to encourage other sustainable modes of transportation including biking options.
- 5 Community Action Centers will continue to be operated. These facilities are focused on promoting economic stability for residents.



A Growing Economy



Baltimore's citizens succeed the most when Baltimore's economy is strong and growing. This Priority Outcome seeks to strengthen and grow Baltimore's economy by working from the following tenets: a growing economy leverages public-private-non-profit partnerships; a growing economy respects and supports the diversity - ethnic, racial, socioeconomic, education level etc. - of the people we serve; and a growing economy recognizes the interconnectivity of all economic factors - investment, key economic drivers, workforce, quality of life, and infrastructure.



Increase the Number of Residents with a Job



Employment is down since the recession. Maryland Department of Labor data show that jobs have slowly recovered over the past two years. Only 18% of Baltimore residents rate job availability as good or excellent, consistent with 2011.



Source: American Community Survey

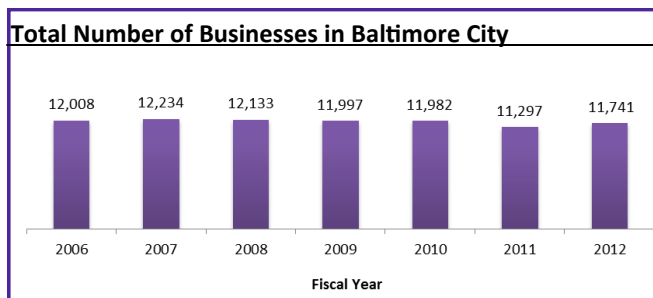
To meet this goal in Fiscal 2014:

- The Career Center Network and satellite job hubs that provide employment services, technical training, and computer certifications to City residents. Enhanced funding in Fiscal 2014 will allow for increased programming at the job hub facilities.
- The Youth Works summer job program will provide summer work opportunities to 5,000 area high school students. In Fiscal 2014 the program will work to offer increased opportunities with private sector companies.
- Re-entry services for ex-offenders will provide job placement and training services. This results-based programming will provide assistance to 4,800 clients in Fiscal 2014.



Increase the Number of Businesses in Baltimore

The number of businesses is below pre-recession levels, but has increased from 2011 to 2012.



Source: City of Baltimore Department of Finance

To meet this goal in Fiscal 2014:

- Baltimore Development Corporation will continued business retention and attraction efforts; in Fiscal 2014 BDC will work to attract or retain 1,560 jobs in Baltimore.
- The Small Business Resource Center (SBRC) will offer business plan development and loan counseling services. The SBRC will also promote the City's newly created Microlending program.
- The Emerging Technology Center will expand its Affiliate and Coworking programs. These evidence-based programs are focused on the development of virtual and freelance companies.

Increase Economic Activity from Tourism and Entertainment

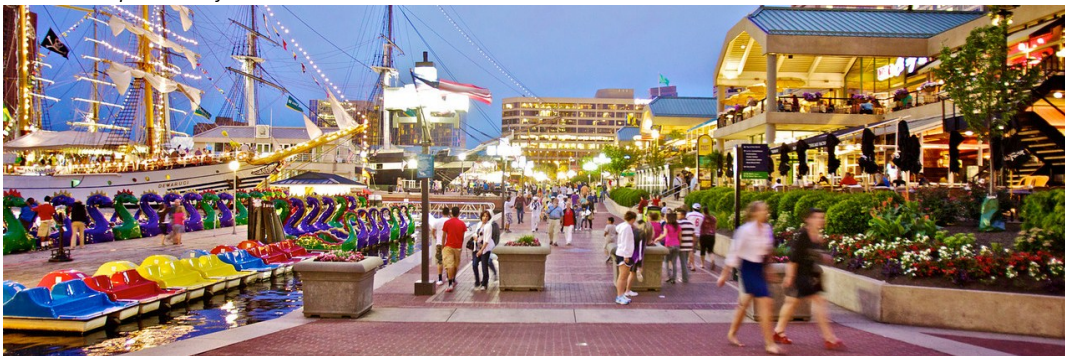


Source: City of Baltimore Department of Finance

Admission and Amusement revenue has declined \$2.2 million since 2008, however hotel tax revenues have continued to increase in recent years, even accounting for a rate increase in Fiscal 2011.

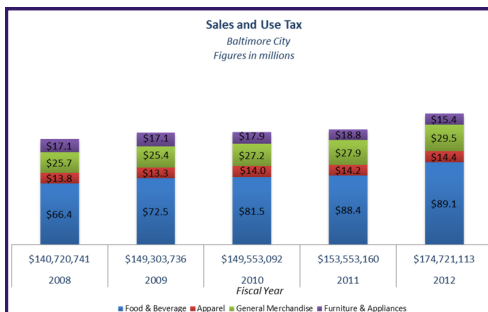
To meet this goal the Fiscal 2014 budget:

- Will continue to market Baltimore as destination for tourism groups and conventions. In Fiscal 2014 Visit Baltimore estimates visitor spending will total \$480 million.
- Provides funding to the Baltimore Heritage Area to continue offer cultural walks on Heritage Trails promoting Baltimore's rich history.
- Maintains the infrastructure at the Inner Harbor to ensure residents and visitors have a positive experience.



Increase Retail Activity

State sales tax revenue generated through retail activity in Baltimore has increased since 2008; the greatest increase has been in Food and beverage tax revenue.



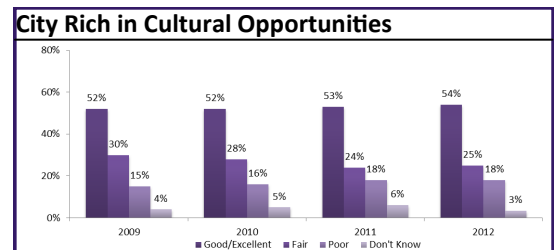
Source: State of Maryland Comptroller's Office

To meet this goal the Fiscal 2014 budget:

- Continues funding for Inner Harbor Coordination Services, which oversees the leasing process of City-owned property in the Inner Harbor.
- Continues support for the Main Streets Program as well as promoting business development in neighborhoods and commercial districts.
- Provides funding to implement strategies geared towards reducing food deserts in Baltimore.

Increase Cultural Opportunities

Citizen perception of cultural activities has remained steady from 2009 through 2012.



Source: Baltimore Citizen Survey

To meet this goal the Fiscal 2014 budget:

- Continues funding for the Baltimore Public Markets and Lexington Market. The Market systems will play a key role in addressing City food deserts.
- Continues funding for Baltimore's arts institutions including the Baltimore Museum of Art, Walter's Art Gallery, Maryland Zoo in Baltimore, and the Baltimore Symphony.
- Provides funding for the Bromo Seltzer Arts Tower to improve exterior lighting, adding to the overall vibrancy of the Baltimore skyline.

Innovative Government

The capability of a government to effectively provide customer friendly and efficient performance of internal business functions has a direct impact on all agencies' ability to deliver services to the public. An innovative government is one that adopts organizational change and encourages employee feedback and ideas to create more effective processes while reducing costs. Innovative governments utilize technology and best practices to streamline processes that directly impact employee and citizen satisfaction. Finally, an innovative government constantly re-evaluates and refines its internal business functions to directly impact all agencies' abilities to deliver services more efficiently and effectively.

Maintain a Well-Trained Workforce

A truly Innovative Government is comprised of a highly trained workforce focused on superior service delivery.

A highly trained workforce is one that:

- Provides comprehensive training to supervisors and managers
- Increases the number of employees receiving certification in their field
- Reduces workplace injuries

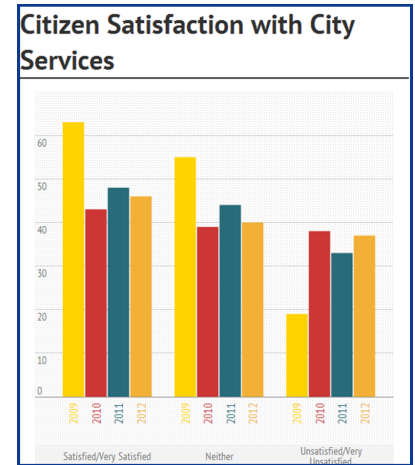
Citywide tracking indicators for this Priority Goal are currently under development.

To meet this goal in Fiscal 2014:

- COB University within the Department of Human Resources will develop an online learning platform and consolidate class offerings for City employees; this model will allow the service to be self-sustaining.
- The Office of the Inspector General will offer trainings to City workers regarding the Office's services aimed at reducing government fraud and waste.
- The Finance Department will enhance training efforts related to purchasing and accounting practices.

Increase Customer Satisfaction

The percentage of citizens very satisfied or satisfied with overall City services has been at 45% for the last three years. The percentage of 311 Service Requests closed on time increased from 77% in 2011 to 87% in 2012.



Source: Baltimore Citizen Survey

To meet this goal in Fiscal 2014:

- The City's IT services will be consolidated to improve the efficiency and effectiveness of all IT related services.
- Water and Wasterwater Consumer Services will continue to install smart water meter readers on properties throughout Baltimore.
- The Bureau of the Budget will conduct management research studies providing recommendations regarding potential strategies to improve service delivery and reduce costs.

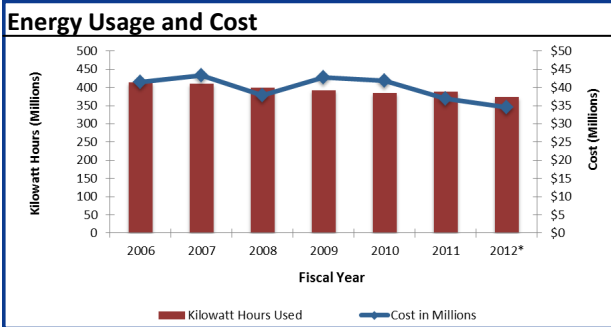
Did you Know?

In Fiscal 2014 Baltimore will begin receiving a 3-year \$52 million grant through the Customer Investment Fund to support a wide array of energy efficiency and weatherization services geared towards assisting residents throughout the City.



Reduce the City's Energy Costs

The City has launched a number of campaigns to reduce overall usage, including converting street lights to LED technology, and installing solar capacity.



Source: Baltimore Department of General Services

To meet this goal in Fiscal 2014:

- The Department of General Services will continue to implement the Fleet Modernization Plan that will reduce fuel use.
- The Office of Energy will continue to oversee energy efficiency contracts to reduce energy consumption at City facilities. This effort will include installing smart meters allowing offices to monitor usage and reduce energy consumption. In Fiscal 2014 these efforts will result in a 24% reduction from Fiscal 2012 levels.

Increase Citizens' Access to Services

Online transactions have more than doubled since 2007, this is consistent with citizen demand for more online alternatives to access City services.

To meet this goal in Fiscal 2014:

- The City will continue to develop smart phone and online applications to increase the number of bill pay options.
- The Office of CitiStat will continue to monitor the performance of City agencies to increase efficiency and ensure a high quality of service delivery to citizens.
- 311 call center hours will be increased by 2 hours daily; this increased service will be realized through internal management efficiencies.

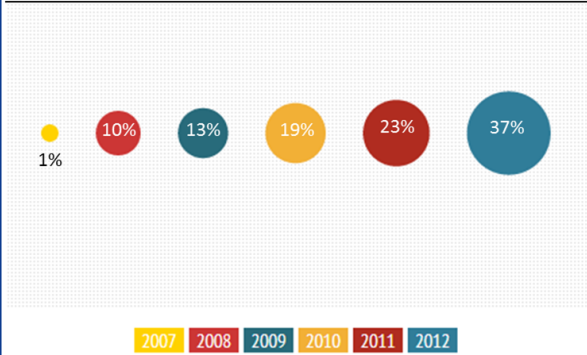
Reduce Space Utilization Costs

An Innovative Government is one that uses space efficiently to conduct its business. Reducing fixed costs associated with physical space will result in long-term cost savings citywide. Tracking indicators for this goal are under development.

To meet this goal in Fiscal 2014:

- City offices located in private buildings will continue to be transferred to City-owned buildings where cost effective.
- The Department of General Services (DGS) will continue to conduct a space inventory of downtown municipal office space. DGS expects to complete this effort during calendar year 2013.

Online Payment Transactions



Source: Baltimore Department of Finance



A Cleaner and Healthier City

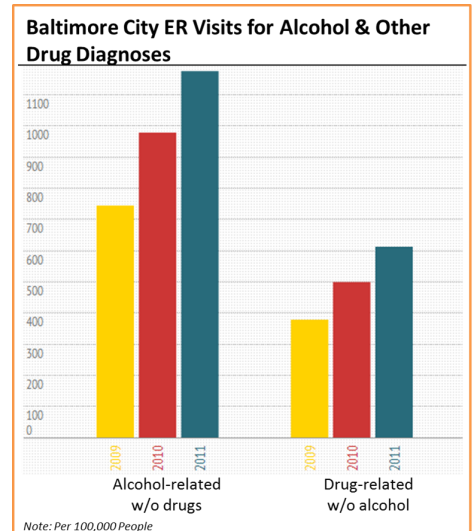
A Cleaner and Healthier City reaches all aspects of public health, including the physical (clean water, clean air, and safe buildings) and service aspects (drug treatment, health education, and clinical assistance). Key steps to advance this Priority Outcome include outreach and education efforts regarding personal responsibility for improving public health, reducing litter, and increasing recycling.

Decrease the Number of Alcohol and Drug-Related ER Visits

Drug and alcohol related ER visits have continued to trend upwards since 2009. According to the Mayor's Plan to End Homelessness, 50% of the City's chronically homeless suffer from addiction and mental health issues.

To advance this goal in Fiscal 2014 the budget supports:

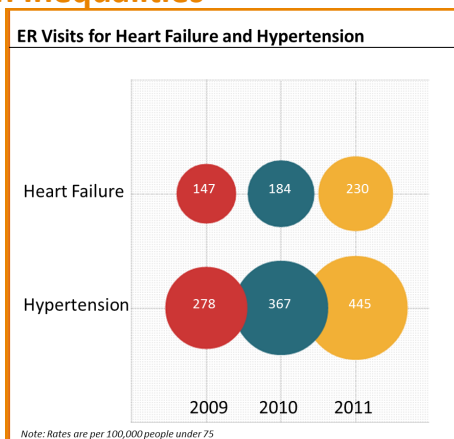
- Continued funding of Clinical Services to provide clinic based assessments and treatment along with support services to women at high risk for alcohol exposed pregnancies.
- Transitioning the current Guilford overflow shelter to a larger facility with capacity to serve an additional 50 clients.
- Funding to continue the Baltimore Buprenorphine Initiative which links substance abuse treatment patients with mental health and primary care services.



Source: Baltimore Health Department

Decrease Health Inequalities

Both hypertension and heart failure rates have been on the rise since 2009. Promoting general wellness among Baltimore residents is key in reducing these rates.



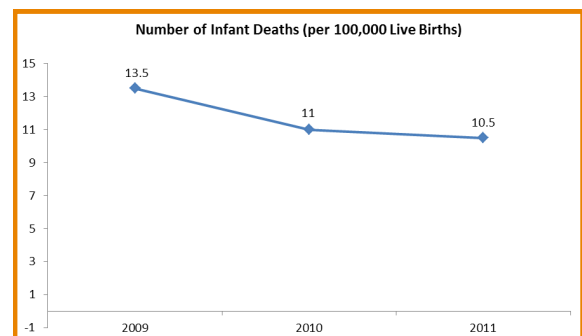
Source: Baltimore Health Department

To advance this goal in Fiscal 2014 the budget supports:

- The Healthy Homes program that will engage community groups to provide education on lead safety, asthma management, and other health issues.
- Smoking cessation education in community-based settings for at-risk groups.
- Summer food programs to provide healthy summer meals to children at sites throughout the City. The service anticipates serving 1.2 million meals in Fiscal 2014.

Decrease Infant Mortality

Infant mortality rates have trended downward since 2009. A declining infant mortality rate is a reflection of improving quality of life in Baltimore City.



Source: Baltimore Health Department

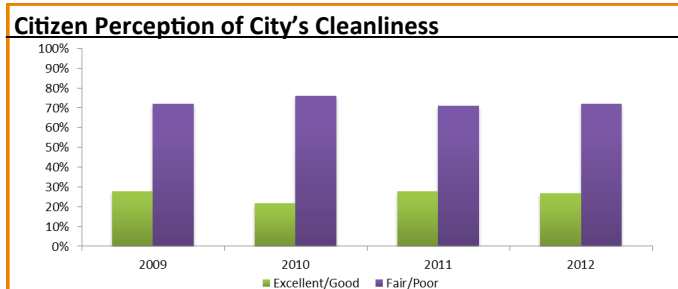
To advance this goal in Fiscal 2014 the budget supports:

- Maternal and Child Health services that will utilize professional case management to provide home visiting services to at-risk mothers.
- Continued implementation of the Baby Basics program, implemented by the Family League of Baltimore City. This service will provide home visiting services to expecting mothers with the goal of improving birth outcomes.



Increase Citizen Satisfaction with City's Cleanliness

Citizens rating cleanliness as good or excellent remained at about 28% in 2012. Services related to cleanliness are among the most important City services when ranked by residents.



Source: Baltimore Citizen Survey

To advance this goal in Fiscal 2014, the budget supports:

- Environmental Health Services will utilize new technology to conduct inspections of food service facilities according to state and local health codes.
- A proactive approach to mechanical street sweeping that will allow every City street to be cleaned at least once monthly.
- A managed competition process to make bulk trash pick-up and rat abatement more cost effective.
- The Department of Public Works will pilot a municipal trash can program aimed at improving the efficiency of the service and reducing the rat population.



Did you Know?

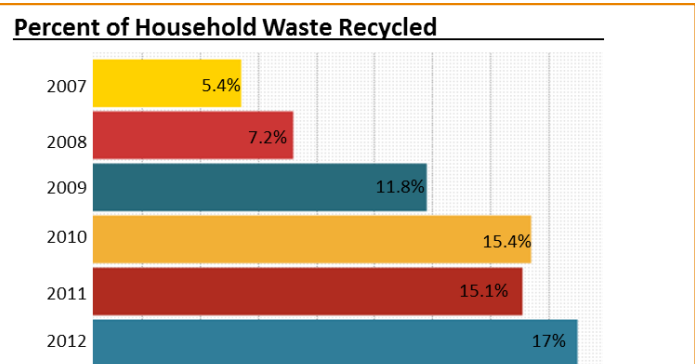
In Fiscal 2012 City residents recycled nearly 25,000 tons of waste; the Department of Public Works anticipates the rate will increase to 32,000 tons in Fiscal 2014.

Increase Recycling Rates

Recycling rates have steadily increased since 2007. By diverting material from the wastestream, Baltimore is able to reduce costs associated with the landfill life cycle while decreasing the City's environmental footprint and generating revenue.

To advance this goal in Fiscal 2014, the budget supports:

- The Implementation of the Waste to Wealth program that will focus on diverting recyclable materials away from landfills.
- The Department of Public Works will launch a wide scale public relations campaign to reach apartment complexes, schools, and businesses currently not recycling.



Source: Baltimore Department of Public Works



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