

**CITY OF BALTIMORE  
COUNCIL BILL 09-0338  
(Resolution)**

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Introduced by: Councilmembers Conaway, Young, President Rawlings-Blake, Councilmembers  
Middleton, Welch, Reisinger, Clarke, D'Adamo, Kraft, Branch, Holton

Introduced and read first time: May 18, 2009

Assigned to: Judiciary and Legislative Investigations Committee

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REFERRED TO THE FOLLOWING AGENCIES: City Solicitor, Department of Finance, Board of  
Estimates

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A RESOLUTION ENTITLED

1 A RESOLUTION OF THE MAYOR AND CITY COUNCIL concerning

2 **Charter Amendment –**  
3 **Surplus Funds**

4 FOR the purpose of repealing a requirement for certain unanticipated surplus funds to be  
5 transferred to a capital bond fund appropriation reduction account and used only for certain  
6 purposes; and submitting this amendment to the qualified voters of the City for adoption or  
7 rejection.

8 BY repealing and reordaining, with amendments

9 Article VI - Board of Estimates

10 Section(s) 9(d)

11 Baltimore City Charter

12 (1996 Edition)

13 BY repealing

14 Article VI - Board of Estimates

15 Section(s) 9(e)

16 Baltimore City Charter

17 (1996 Edition)

18 **SECTION 1. BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE,** That the  
19 City Charter is proposed to be amended to read as follows:

20 **Baltimore City Charter**

21 **Article VI. Board of Estimates**

22 **§ 9. Uses of appropriations.**

23 (d) *Surpluses*~~[- in general].~~

24 In case of any surplus arising in any fiscal year by reason of an excess of revenue over  
25 the expenditures (including any appropriation carried over) for [such] THAT year, the  
26 surplus shall become a part of the general revenue of the City and shall be available for

EXPLANATION: Underlining indicates matter added by amendment.  
~~Strike out~~ indicates matter deleted by amendment.

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1 the general expenditures of the City for the next fiscal year, in accordance with the  
2 Ordinance of Estimates for that year. An estimate of [such] THE surplus shall be made by  
3 the Board of Estimates and included in expected revenues for the next year.

4 However any surplus or retained earnings of the water or sanitary wastewater utility fund  
5 (under [Section] § 18 of this article) at the end of the fiscal year shall remain to the credit  
6 of that utility, and the estimate of [such a] THAT balance shall be included in that utility's  
7 budget for the next year as an estimated receipt.

### 8 [(e) *Surpluses – Capital Bond Fund Appropriation Reduction Account.*

9 Except for the funds of the water or sanitary wastewater utilities, if at the end of any  
10 fiscal year it is determined that there is any surplus in excess of the amount included in  
11 expected revenues for the next fiscal year and such amount exceeds 1% of the General  
12 Fund operating budget adopted for the next fiscal year and such amount does not include  
13 any appropriation carried forward from the prior fiscal year, the excess of such General  
14 Fund surplus over 1% of the operating budget shall be credited to an account known as  
15 the “Capital Bond Fund Appropriation Reduction Account”.

16 Funds in this account shall be allocated and paid by order of the Board of Finance for the  
17 purpose of substituting for a like amount of general obligation bond funds for which  
18 appropriations have been previously made by the Mayor and City Council; to the extent  
19 that funds from the capital bond fund appropriation reduction account are utilized, the  
20 authorized amount of general obligation bonds shall be automatically reduced. In  
21 determining the application of such funds the Board of Finance shall be guided by the  
22 conditions of the bond market and the financial interests of the City of Baltimore.

23 Funds in the capital bond fund appropriation reduction account not utilized in the first  
24 year in which they are identified shall be carried forward at the end of the fiscal year to  
25 be used for the purpose of substituting for general obligation bond funds at the earliest  
26 practical time. Such funds shall be utilized only for the purpose for which the bond funds  
27 were appropriated and may not be transferred directly or indirectly to any other purpose.

28 Surplus funds exceeding the amount used in the revenue estimates for the succeeding  
29 year but not in excess of 1% of the current General Fund operating budget may be  
30 utilized by the Board of Estimates to reduce the tax rate requirements for the next fiscal  
31 year or to constitute a source of funds for supplemental appropriations recommended to  
32 the City Council pursuant to the provisions of this subsection.]

33 **SECTION 2. AND BE IT FURTHER RESOLVED,** That this proposed amendment to the City  
34 Charter be submitted to the legal and qualified voters of Baltimore City, for adoption or  
35 rejection, in accordance with Article XI-A, § 5 of the Maryland Constitution, in the form  
36 specified by the City Solicitor.