

CITY OF BALTIMORE
RESOLUTION _____
Council Bill 09-0338

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

Committee Report: Favorable
Council action: Adopted
Read second time: December 10, 2009

A RESOLUTION OF THE MAYOR AND CITY COUNCIL CONCERNING

**Charter Amendment –
Surplus Funds**

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

BY repealing and reordaining, with amendments

Article VI - Board of Estimates
Section(s) 9(d)
Baltimore City Charter
(1996 Edition)

BY repealing

Article VI - Board of Estimates
Section(s) 9(e)
Baltimore City Charter
(1996 Edition)

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

Baltimore City Charter

Article VI. Board of Estimates

§ 9. Uses of appropriations.

(d) *Surpluses*[– *in general*].

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] THAT 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

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

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1 Ordinance of Estimates for that year. An estimate of [such] THE surplus shall be made by
2 the Board of Estimates and included in expected revenues for the next year.

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

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

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

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

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

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

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

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Certified as duly passed this _____ day of _____, 20__

President, Baltimore City Council

Certified as duly delivered to Her Honor, the Mayor,
this _____ day of _____, 20__

Chief Clerk

Approved this _____ day of _____, 20__

Mayor, Baltimore City