

FY 2024 CAPITAL BUDGET

City Council Budget Hearing

May 30, 2023



Budget Preparation - Who is Responsible?

Department of Finance

Tax Rates, Debt Levels, Big-Picture Financial Planning

Dept. of Finance/ Bureau of
Budget & Management
Research

Operating Budget Preparation

Dept. of Planning
Capital Budget Preparation



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 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

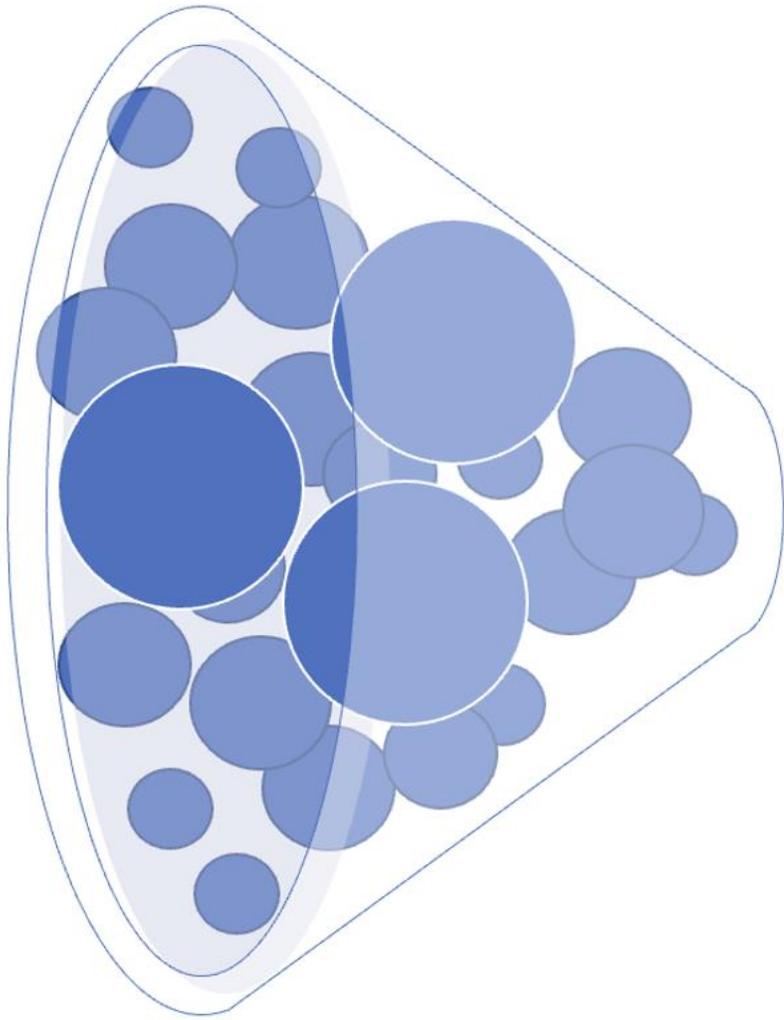
- Bridges
- Resurfacing & Bike Lanes
- Sidewalks
- Major Software Systems
- Cultural Attractions
- Schools
- Libraries
- Municipal Buildings
- Police & Fire Stations
- Senior Centers
- Recreation Centers
- Water/Sewer Pipes
- Treatment Plants
- Pumping Stations
- Demolition
- Housing Redevelopment
-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



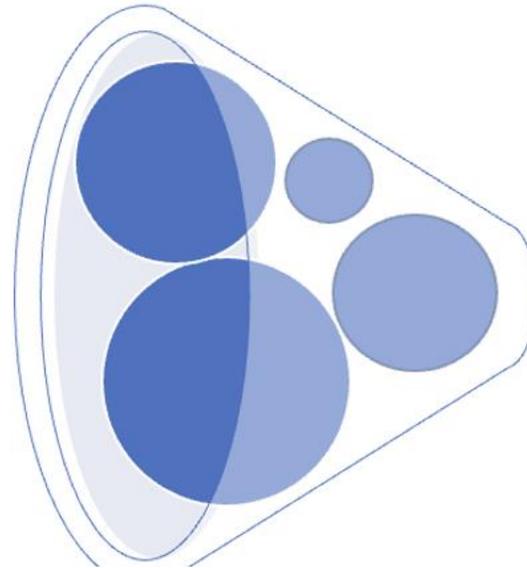
Process - Formulating Recommendations



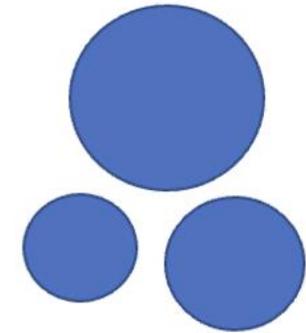
Process



Potential Projects



Submitted within Target
Funding Levels



Recommended

Evaluation Criteria Update

Evaluation Criteria

Baseline Criteria

State or Federal Mandate Is this required by State or Federal law?

Scoring Criteria

Equity Who benefits? Has community been involved?

Health & Safety Is there an immediate or long-term health or safety benefit?

Asset Condition What is the condition of the building or infrastructure?

Return on Investment Will this increase tax revenue, reduce costs, or leverage other funds?

Environmental Impact Will this improve air or water quality or reduce greenhouse gas emissions?

Efficiency & Effectiveness Is this the most cost-effective solution? Is it coordinated with other projects to increase impact?



Other Considerations

- Urgent needs
- Projects that maintain critical services
- Alignment with plans
- Administration priorities
- Availability of alternate funding sources



Estimated Capital Needs to Achieve and Maintain a State of Good Repair

Agency	Total Needed to Achieve State of Good Repair	Annual Need to Maintain State of Good Repair
DGS	\$1,100 ¹	\$58 ²
DOT	\$1,300 ³	\$158 ⁴
BCRP	\$260 ⁵	\$11 ⁶
DPW - Solid Waste	\$116 ⁷	\$17 ⁸
BCIT	\$135 ¹¹	\$19 ¹²
Schools	\$4,000 ¹³	\$200 ¹⁴
Total	\$7,911	\$463

**Amounts in Millions*

[\[1\] 1 DGS CIP FY 23-28 Presentation \(Slide 11\)](#)

[2 DGS CIP FY 23-28 Presentation \(Slide 12\)](#)

[3 DOT CIP FY 23-28 Presentation \(Slide 12\)](#)

[4 DOT CIP FY 23-28 Presentation \(Slide 12\)](#)

[5 RP CIP FY 22-27 Presentation \(Slide 22\)](#)

[6 RP CIP FY 22-27 Presentation \(Slide 20\)](#)

[7 DPW \(SW\) CIP FY 23-28 Presentation \(Slide 5\)](#)

[8 DPW \(SW\) CIP FY 23-28 Presentation \(Slide 6\)](#)

[9 HCD CIP FY 23-28 Presentation \(Slide 15\)](#)

[10 HCD CIP FY 23-28 Presentation \(Slide 43 - 47\)](#)

[11 DOP CIP FY 23-28 Presentation \(Slide 9\)](#)

12 BCIT refresh cycle is 7years (\$135M/7)

13 BCPS estimates overall need at \$4B

[14 BCPS CIP FY 23-28 Presentation \(Slide 7\)](#)

[15 BCPS CIP FY 23-28 Presentation \(Slide 7\)](#)



DGS - DEFERRED MAINTENANCE EXAMPLE



Facility Condition Index (FCI)

$$\text{FCI} = \frac{\$1.1\text{B}}{\$2.1\text{B}} = 0.52$$

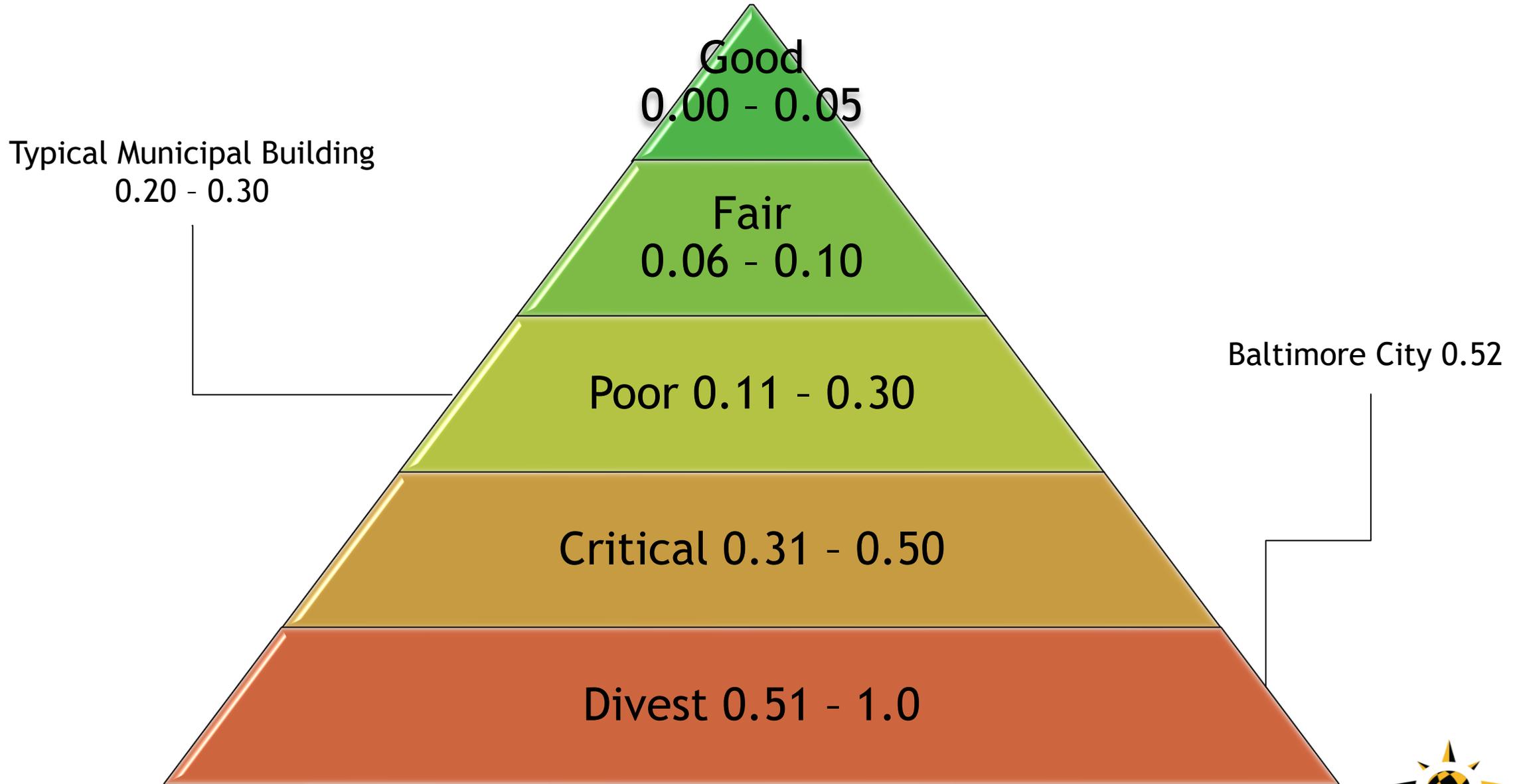
The FCI formula is the ratio of all the deferred maintenance (the numerator) divided by the current replacement cost of the entire facility or portfolio (the denominator).

The numerator of the formula - this contemplates the catch-up cost, including deficiencies and deferred maintenance.

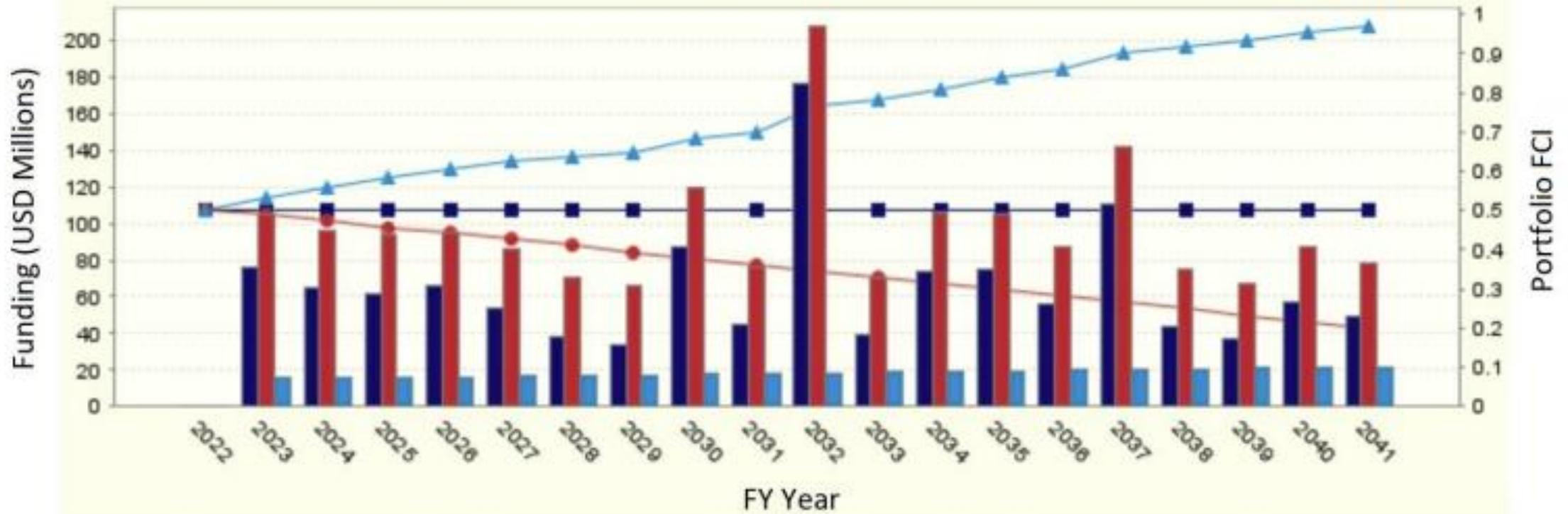
The denominator of the formula - is based on the current reproduction cost of the facility or portfolio.



FCI Ranking

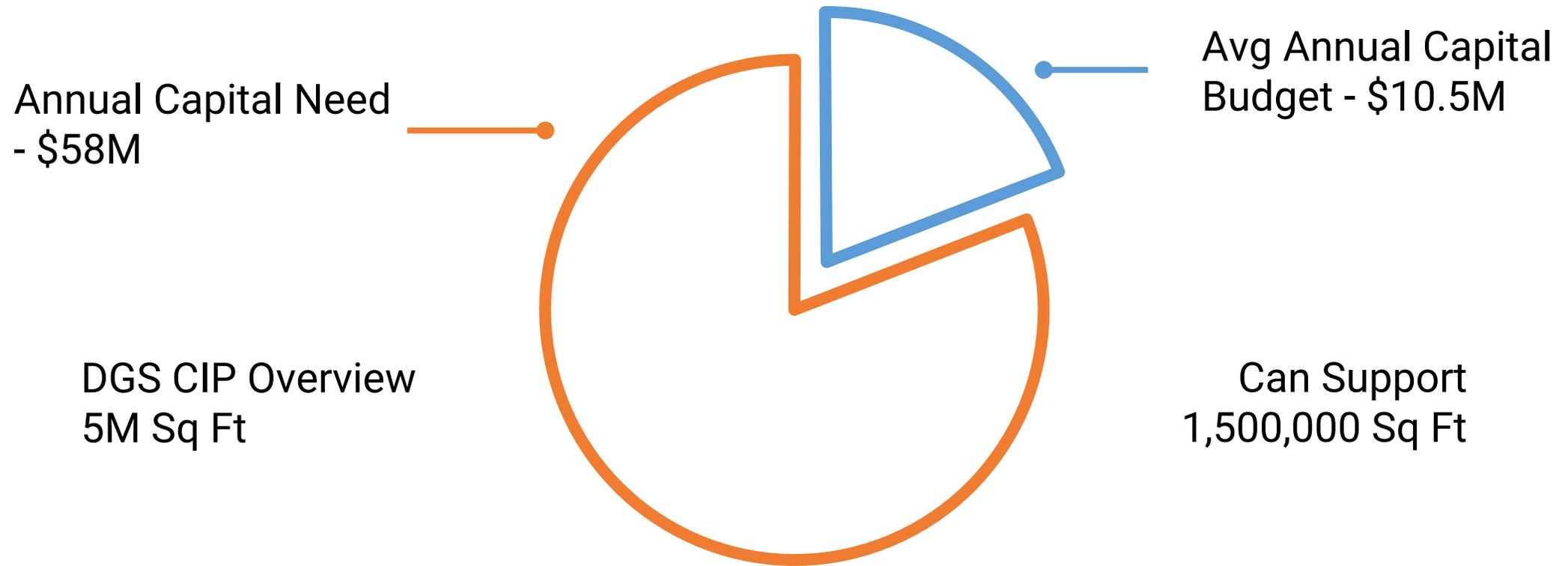


Funding Impact on FCI



Scenario	FCI	Annual Funding
Current Funding Paradigm	FCI: 95%+	\$14M/Year
Maintain Current FCI	FCI: 51%	\$58M/Year
Reduce FCI to 20%	FCI: 20%	\$85M/Year

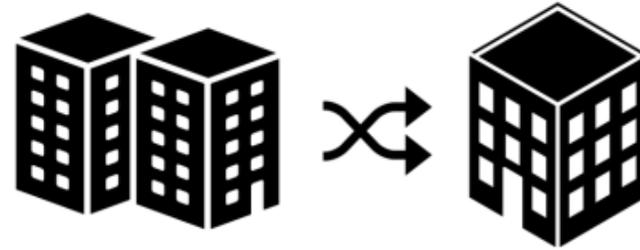
DGS Capital Need vs. Budget



Addressing Facility Conditions



&



Change the Funding Paradigm

- Improved Capital Forecasting process using VFA to better identify facility system replacements resulting in reduced reactive maintenance and capital replacements for systems past their lifecycle.
- Improved Facility Management funding by using Data Driven strategies (Archibus) to optimize available resources.

Change the Portfolio Composition

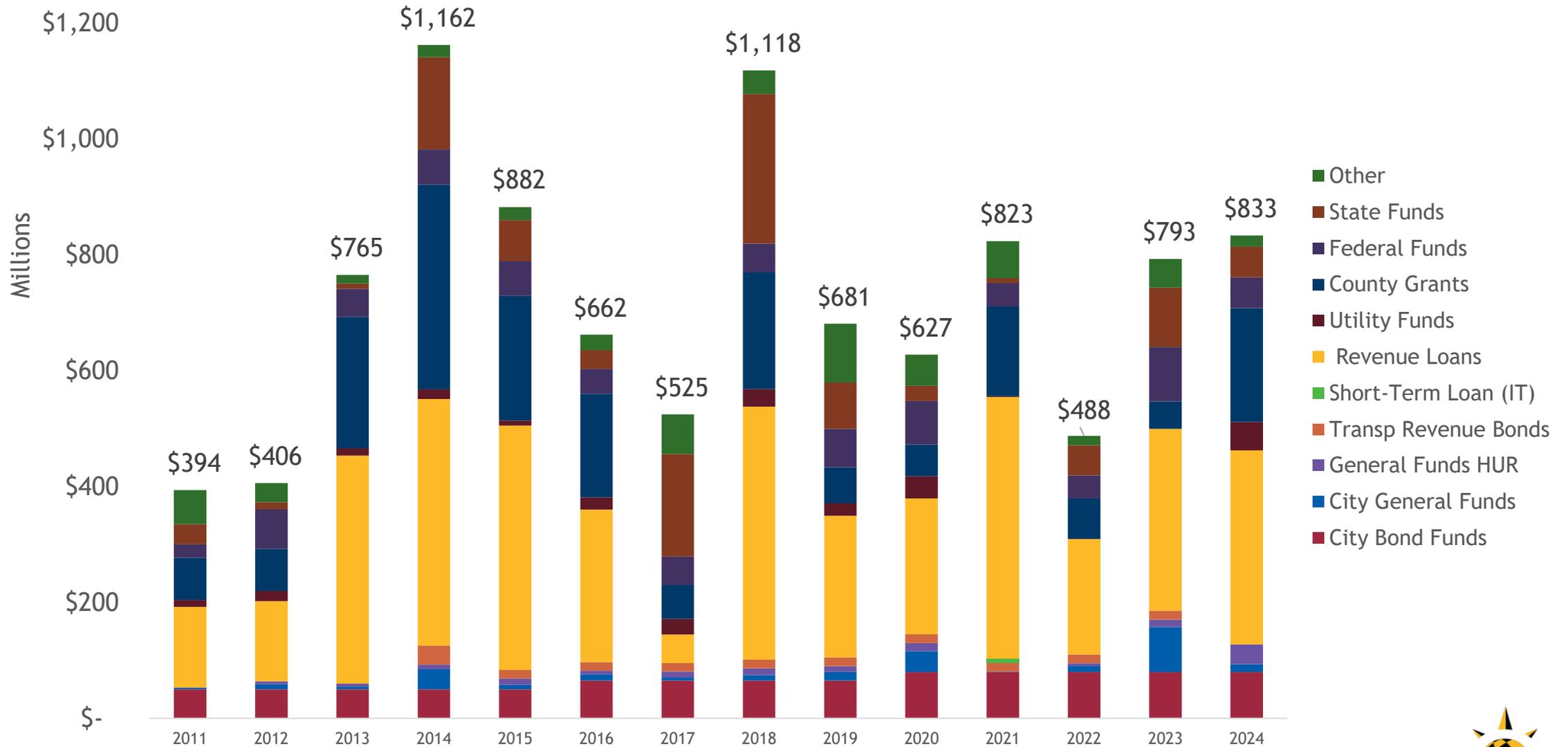
- Reduction in MCC portfolio by disposing of facilities that are underutilized and are determined to be past their useable lifecycle.
- Reduction in agencies physical space thru the Future of Work program initiated by the Mayor's office for remote and hoteling in response to the Covid-19 impact on the workplace.



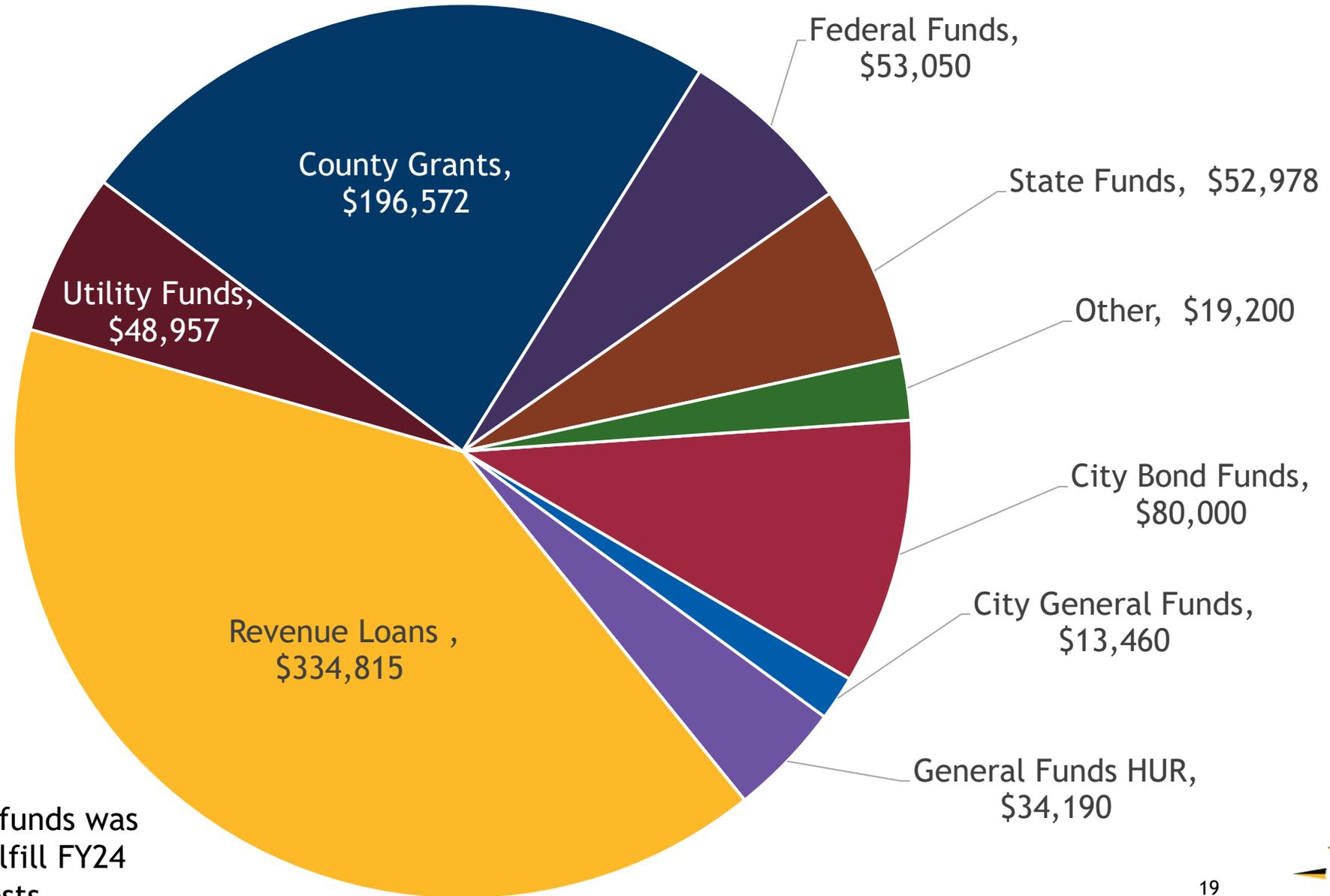
FY24 OVERVIEW



Capital Budget Trends



FY24 Recommended Capital Budget by Fund Source



*\$40 million of ARPA funds was made available to fulfill FY24 capital budget requests.



ARPA and the Fiscal 2024 Capital Budget

The Recommended Budget reflects allocating \$40.0 million in ARPA funds for capital projects with funding needs identified in the Fiscal 2024 planning process. Projects receiving ARPA funds must meet the obligation and spending deadlines associated with the program. Projects recommended to receive ARPA funding were based on their readiness and ability to meet the spending deadlines.

Project	Amount
City Building Improvements	9,350,000
Hamilton Library HVAC Replacement	1,750,000
Herring Run Library HVAC Replacement	1,800,000
ADA Projects	15,935,000
Sidewalk Reconstruction Repair	1,165,000
Street Resurfacing	10,000,000
Total	40,000,000

Table in dollars.

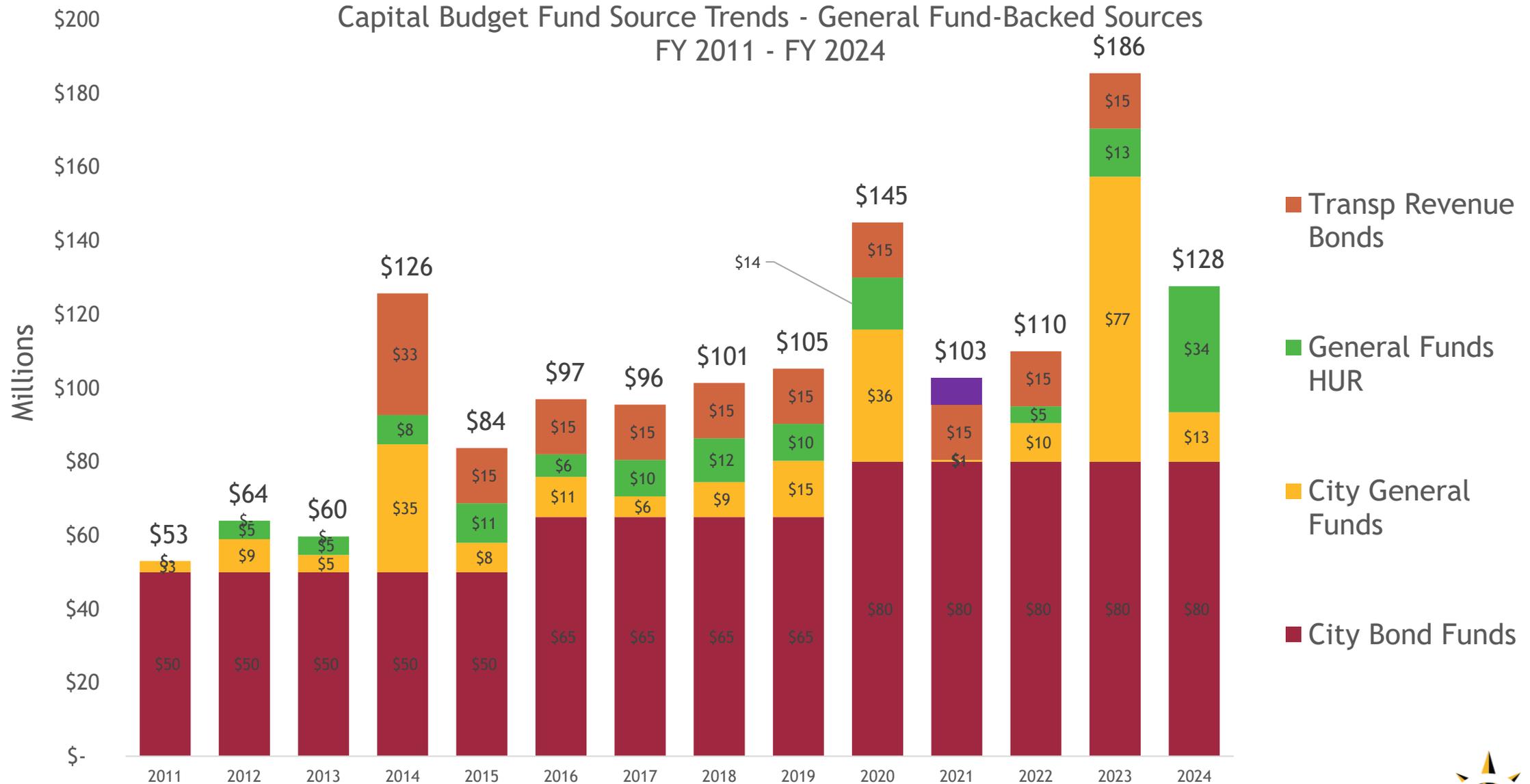


Previously Awarded ARPA Funding for Capital Projects

Agency	Total Budget
Baltimore City Recreation and Parks	
Administration	2,923,093
Athletic Courts	2,197,684
Contingency	4,223
Playgrounds	5,050,000
Pools	9,950,000
Recreation Centers	19,875,000
Trails	1,000,000
Enoch Pratt Free Library	
Park Heights Community Library	3,000,000
Department of General Services	
HVAC Repair	4,250,000
Department of Housing and Community Development	
Blight Elimination	20,142,499
Capital Investment	60,552,801
Mayor's Office of Homeless Services	
Housing Accelerator & Shelter Assistance	59,475,000
Total	188,420,300



Fund Source Trends (General Fund Backed Sources)



Loan Authorization Guides GO Bond Programming



FY23 AGENCY CAPITAL BUDGETS



FY24 Recommended Funding by Agency

	General Fund Backed Sources	All Sources
Department of Public Works - Utilities	\$ -	\$ 589,334,000
Department of Transportation	\$ 35,690,000	\$ 91,755,000
Department of Housing and Community Development	\$ 26,900,000	\$ 47,750,000
Department of General Services	\$ 18,260,000	\$ 28,060,000
Department of Recreation and Parks	\$ 9,500,000	\$ 26,495,000
Department of Public Works - Solid Waste	\$ 6,500,000	\$ 10,500,000
Baltimore City Public Schools*	\$ 19,000,000	\$ 19,000,000
Mayoralty and Planning	\$ 1,150,000	\$ 3,150,000
Enoch Pratt Free Library	\$ 1,700,000	\$ 3,728,000
Baltimore Development Corporation	\$ 1,950,000	\$ 6,450,000
Baltimore City Information Technology	\$ 7,000,000	\$ 7,000,000
TOTAL	\$ 127,650,000	\$ 833,222,000



DEPARTMENT OF PUBLIC WORKS - UTILITIES



Department of Public Works - Utilities - Overview

The Department of Public Works manages three City utilities - water, waste water, and stormwater. Projects are evaluated against a variety of factors, including:

- Environmental
- Social
- Economic
- Implementation



Department of Public Works - Utilities

Utility Category	FY24 Appropriation
Wastewater	\$ 242,244,000
Water	\$ 249,988,000
Stormwater and Pollution/Erosion Control	\$ 97,102,000
Total:	\$ 589,334,000



Department of Public Works - Utilities

Fund Source	FY24 Appropriation
Revenue Loans	\$ 334,815,000
Utility PAYGO	\$ 48,957,000
County Grants	\$ 196,572,000
State Funds	\$ 8,990,000
Total:	\$ 589,334,000



DEPARTMENT OF TRANSPORTATION



Department of Transportation - Overview

The Department of Transportation manages all the City's right of way. It has estimated the following deferred maintenance on the following types of infrastructure:

- Sidewalks/ADA - \$657M
- Bridges - \$435M
- Roadways - \$316M
- Facilities - \$79M
- Signals - \$67M
- Transit Infrastructure - \$50M
- Alleys - \$44M
- Lighting - \$33M
- Bike Facilities - \$7M

The estimated deferred maintenance totals \$1.3 billion, or \$158M per year over the next 20 years.



Department of Transportation

Project Category (Regular Program)	FY24 Appropriation
Bike and Pedestrian Improvements (including ADA)*	\$ 23,240,000
Bridges	\$ 12,912,000
Safety Improvements	\$ 2,900,000
Major Roadway Rehabilitations	\$ 22,003,000
Traffic Improvements	\$ 12,800,000
Resurfacing**	\$ 8,850,000
Transit Improvements	\$ 5,000,000
Total:	\$ 88,755,000

Project Category (Conduit Utility)	FY24 Appropriation
Conduits	\$ 3,000,000

*An additional \$17,100,000 in previously appropriated ARPA funds is recommended for pedestrian and ADA improvements

**An additional \$10,000,000 in previously appropriated ARPA funds is recommended for resurfacing



Department of Transportation

Fund Source	FY24 Appropriation
General Obligation Bonds	\$ 1,500,000
General Funds (Highway User Revenue)	\$ 34,190,000
Federal Funds	\$ 44,400,000
State Funds	\$ 6,865,000
Other Funds	\$ 1,800,000
Total:	\$ 88,755,000

Fund Source (Conduit Utility)	FY24 Appropriation
Conduit Utility	\$ 3,000,000

Recommended to Supplement FY24 Capital Budget	Prior Year Appropriation
Recovery Act Funds	\$ 27,100,000



Local Transportation Funding - Year over Year Comparison

Fund Type	FY 2022	FY 2023	FY 2024
Highway User Revenue Set Aside for Capital			\$27,650,000
MDOT County Transportation Revenue Bonds	\$ 15,000,000	\$ 15,000,000	-
Other - ARPA	-	-	\$27,100,000
Additional local funds (HUR/GO Bonds)	\$ 13,155,000	\$ 19,700,000	\$ 8,040,000
Total:	\$ 28,155,000	\$ 34,700,000	\$62,790,000



DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT



Department of Housing and Community Development - Overview

The Department of Housing & Community Development has estimated the following amounts to address the City's major housing and development needs:

Affordable Housing	50,995 Households	\$30,000/HH	\$1.5B
Home Repairs	25,048 Households	\$25,000/HH	\$626M
Demolition	8,524 BLDGs	\$25,000/BLDG	\$213M
Stabilization	1,518 BLDGs	\$68,000/BLDG	\$103M
7 Impact Investment Areas	Budget modelling		\$405M
Major Project Infrastructure Gap	Project estimates		\$100M
TOTAL			\$2.97B



Department of Housing and Community Development

Project Category	FY24 Appropriation
Affordable Housing	\$ 11,750,000
Home Repairs	\$ 3,900,000
Demolition and Stabilization	\$ 8,400,000
Impact Investment	\$ 1,200,000
Major Project Infrastructure	\$ 16,100,000
Homeowner Incentives	\$ 2,350,000
Other	\$ 4,050,000
Total:	\$ 47,750,000



Department of Housing and Community Development

Fund Source	FY24 Appropriation
General Obligation Bonds	\$ 21,900,000
General Funds	\$ 5,000,000
Federal Funds	\$ 3,650,000
State Funds	\$ 12,600,000
Other Funds	\$ 4,600,000
Total:	\$ 47,750,000



DEPARTMENT OF GENERAL SERVICES



Department of General Services - Overview

The Department's CIP portfolio includes:

- Downtown campus/office buildings
- Police & fire facilities
- Health, MOED & other human service facilities
- Historic buildings
- Courthouses

The Department has assessed:

- 128 buildings
- 4,800,000 square feet
- \$2.1 billion replacement value

FCI Forecast:

- Average FCI Score: 52%
- \$1.1 billion capital maintenance/replacements needed



Department of General Services

Project Category	FY24 Appropriation
Office Buildings	\$ 15,550,000
Service Buildings (CACs, Health Centers, Senior Centers, MOHS)	\$ 4,910,000
Fire Facilities	\$ 2,000,000
Police Facilities	\$ 3,500,000
Convention Center	\$ 400,000
Courts	\$ 500,000
Other	\$ 1,200,000
Total:	\$ 28,060,000



Department of General Services

Fund Source	FY24 Appropriation
General Obligation Bonds	\$ 17,000,000
General Funds	\$ 1,260,000
Sale of City Property	\$ 9,800,000
Total:	\$ 28,060,000

Recommended to Supplement FY24 Capital Budget	Prior Year Appropriation
Recovery Act Funds	\$ 9,350,000



DEPARTMENT OF RECREATION AND PARKS



Department of Recreation and Parks - Overview

- The Department owns and maintains:
 - 52 recreation centers
 - 262 parks
 - 4,700 acres of parkland
 - 25 miles of hiking and biking trails
 - 116 basketball courts
 - 104 tennis courts
 - 23 pools
 - 120 playgrounds
 - 3 skate parks
 - 131 athletic fields
 - 5 dog parks
 - 125,000 trees



Department of Recreation and Parks

Project Category	FY24 Appropriation
Park Improvements	\$ 14,984,000
Recreation Centers	\$ 4,950,000
Athletic Courts and Fields	\$ 5,561,000
Pools	\$ 250,000
Trails & Trees	\$ 500,000
Other	\$ 550,000
Total:	\$ 26,495,000



Department of Recreation and Parks

Fund Source	FY24 Appropriation
General Obligation Bonds	\$ 9,300,000
General Funds	\$ 200,000
Federal Funds	\$ 1,000,000
State Funds	\$ 15,995,000
Total:	\$ 26,495,000



DEPARTMENT OF PUBLIC WORKS - SOLID WASTE



Department of Public Works - Solid Waste - Overview

The Department of Public Works has many long-term needs, particularly as the City aims to reduce waste. Long term needs include:

- Rail Transfer Station
- Landfill Expansion
- Transfer Stations
- Compost Facility
- Other Material Recovery Facilities
- Aging Yards and Service Centers



Department of Public Works - Solid Waste

Project Category	FY24 Appropriation
Quarantine Road Landfill (Expansion and Compliance)	\$ 5,000,000
Compost Facility	\$ 5,000,000
Transfer Station	\$ 500,000
Total:	\$ 10,500,000



Department of Public Works - Solid Waste

Fund Source	FY24 Appropriation
General Obligation Bonds	\$ 6,500,000
Federal Funds	\$ 4,000,000
Total:	\$ 10,500,000



BALTIMORE CITY PUBLIC SCHOOLS



Baltimore City Public Schools - Overview

Baltimore City Public Schools owns 136 school buildings, with square footage totaling 14.8 million and an enrollment of around 70,000 students.

- Industry standards recommend investment of \$200 million per year in capital replacements.
- The City's contribution leverages State funding for a total of around \$53 million in annual capital funding.
- The regular capital budget is *in addition to* investments made through the 21st Century Buildings Program and Built to Learn Act.



Baltimore City Public Schools

Project Category	FY24 Appropriation
Systemic Improvements (HVAC, Fire Safety, Windows, etc.)	\$ 9,750,000
Major Renovations or Replacements	\$ 8,750,000
Programmatic Space Upgrades	\$ 500,000
Total:	\$ 19,000,000



Baltimore City Public Schools

Fund Source	FY24 Appropriation
General Obligation Bonds	\$ 19,000,000
Total:	\$ 19,000,000

*This represents the City's contribution to the School System's capital budget. The State typically contributes around \$35 million per year through the regular Public School Construction Program. Both amounts are *in addition to* the 21st Century Buildings Program and Built to Learn Act funding.



MAYORALTY AND PLANNING



Mayoralty & Planning - Overview

Through Mayoralty and Planning accounts, the City supports cultural organizations and other priority economic development projects.



Mayoralty and Planning

Project Category	FY24 Appropriation
State Priorities	\$ 2,000,000
Support for Cultural Institutions	\$ 1,150,000
Total:	\$ 3,150,000



Mayoralty and Planning

Fund Source	FY24 Appropriation
General Obligation Bonds	\$ 1,150,000
State Funds	\$ 2,000,000
Total:	\$ 3,150,000



ENOCH PRATT FREE LIBRARY



Enoch Pratt Free Library

The Department of General Services manages capital projects on behalf of the Enoch Pratt Public Library. The library system's long-term needs include funding for:

- Branch renovations
- Systemic improvements (HVAC, accessibility improvements, etc.)



Enoch Pratt Free Library

Project Category	FY24 Appropriation
New Park Heights Branch	\$ 3,728,000
Total:	\$ 3,728,000



Enoch Pratt Free Library

Fund Source	FY24 Appropriation
General Obligation Bonds	\$ 1,700,000
State Funds	\$ 2,028,000
Total:	\$ 3,728,000

Recommended to Supplement FY24 Capital Budget	Prior Year Appropriation
Recovery Act Funds	\$ 3,550,000



BALTIMORE DEVELOPMENT CORPORATION



Baltimore Development Corporation - Overview

The Baltimore Development Corporation's long-term capital needs include:

- Business support programs
- Neighborhood and commercial corridor projects
- Additional requests from partners (e.g. markets, waterfront, etc.)



Baltimore Development Corporation

Project Category	FY24 Appropriation
Arts, Entertainment, and Shopping Centers	\$ 4,950,000
Business Support	\$ 1,500,000
Total:	\$ 6,450,000



Baltimore Development Corporation

Fund Source	FY24 Appropriation
General Obligation Bonds	\$ 1,950,000
State Funds	\$ 4,500,000
Total:	\$ 6,450,000



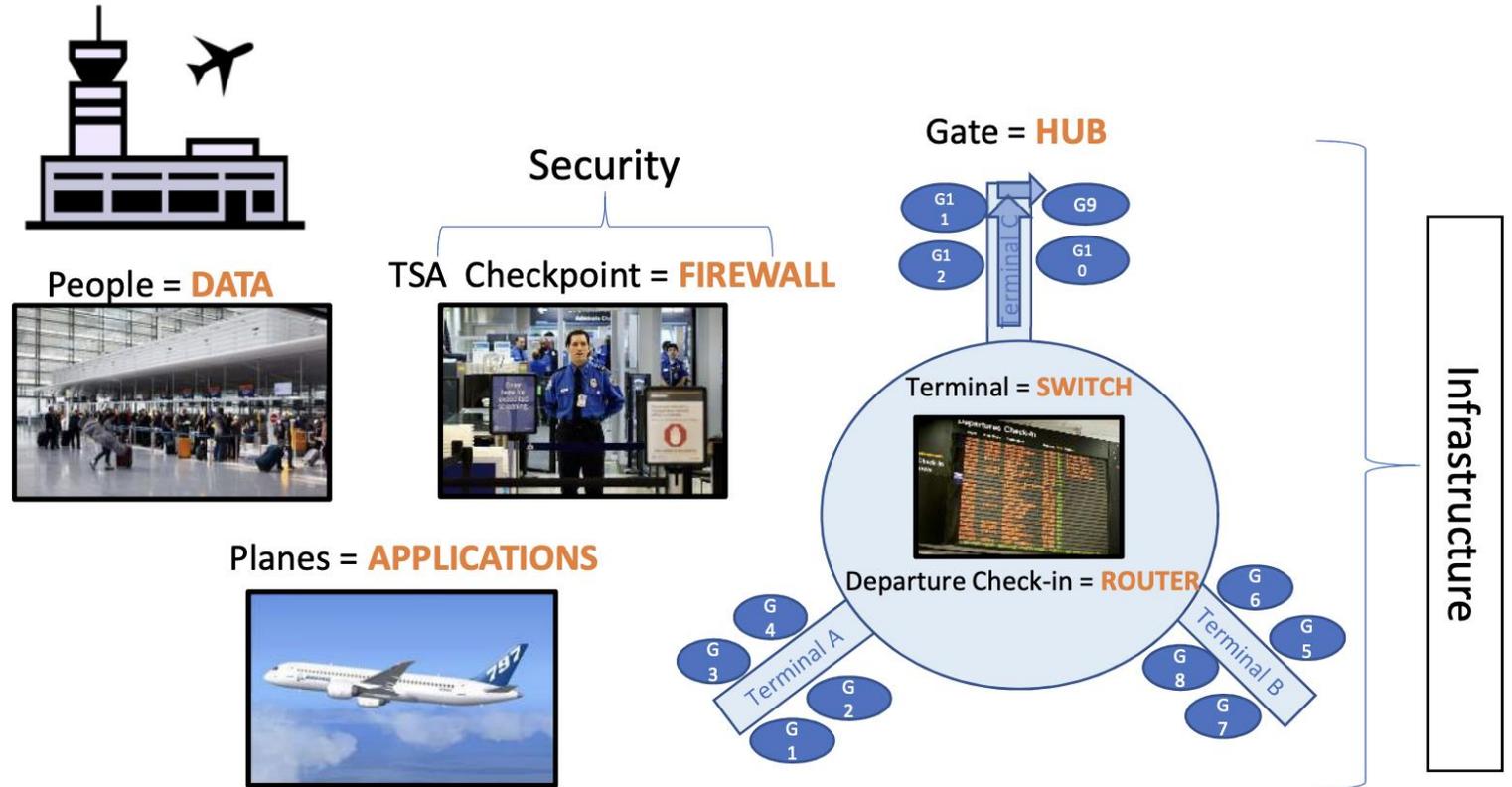
BALTIMORE CITY INFORMATION TECHNOLOGY



Baltimore City Information Technology - Overview

Baltimore City Information Technology's capital program supports the following major goals:

- Protection against cyber security-related threats
- Updating aging infrastructure and applications
- Investing in emerging technology for more efficient and better City services
- Better understanding data and processes



Baltimore City Information Technology

Project Category	FY24 Appropriation
Applications	\$ 1,800,000
Infrastructure	\$ 1,200,000
Public Safety	\$ 4,000,000
Total:	\$ 7,000,000



Baltimore City Information Technology

Fund Source	FY24 Appropriation
General Funds	\$ 7,000,000
Total:	\$ 7,000,000



PRELIMINARY / DRAFT EQUITY ANALYSIS



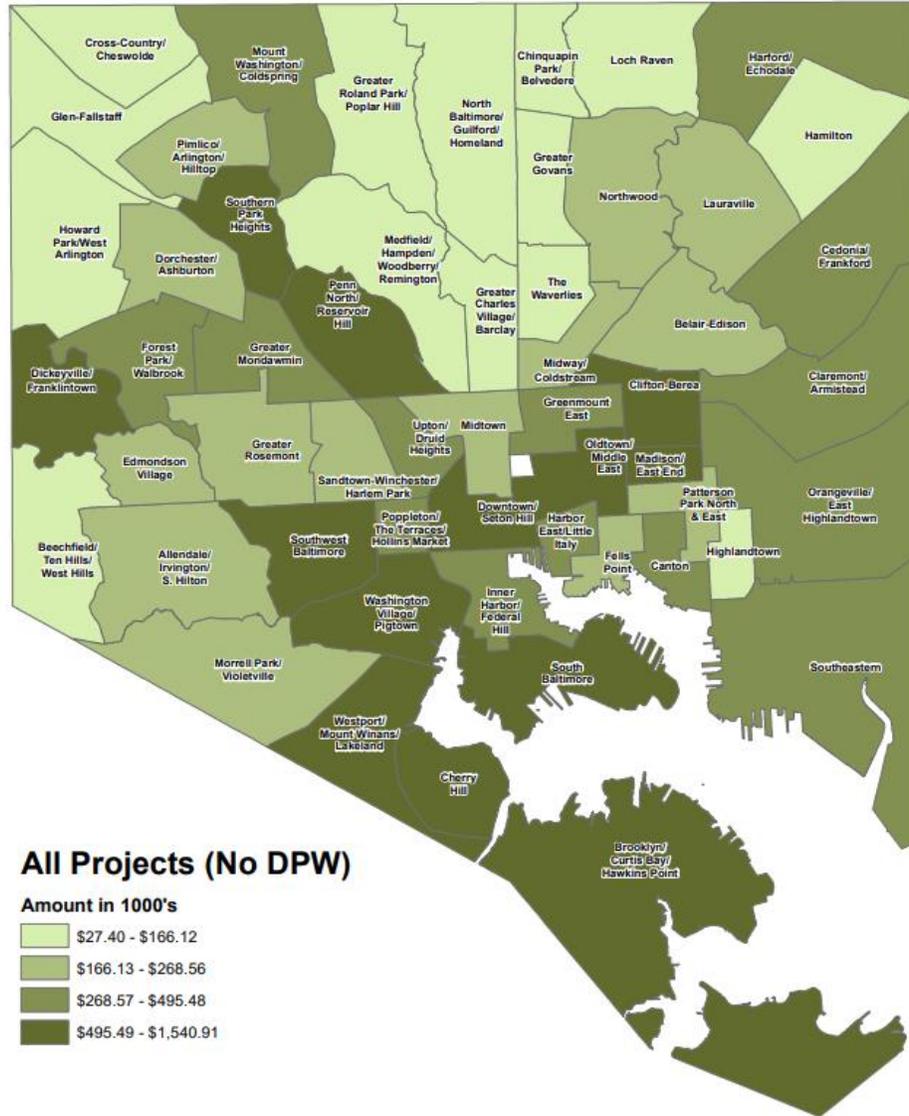
Equity Analysis - Process

- Equity in Planning Committee launched 2015
- EIPC identified a capital budget analysis as a key component of its Equity Action Plan
- Use Urban Sustainability Directors' Lens:
 - Structural
 - Procedural
 - Distributional
 - **Transgenerational**
- Capital budget analysis includes assessing how dollars are distributed against demographics of the neighborhoods
- Also focusing on procedural equity with listening sessions, publicized agency presentations, and more.



FY24 Preliminary Equity Analysis

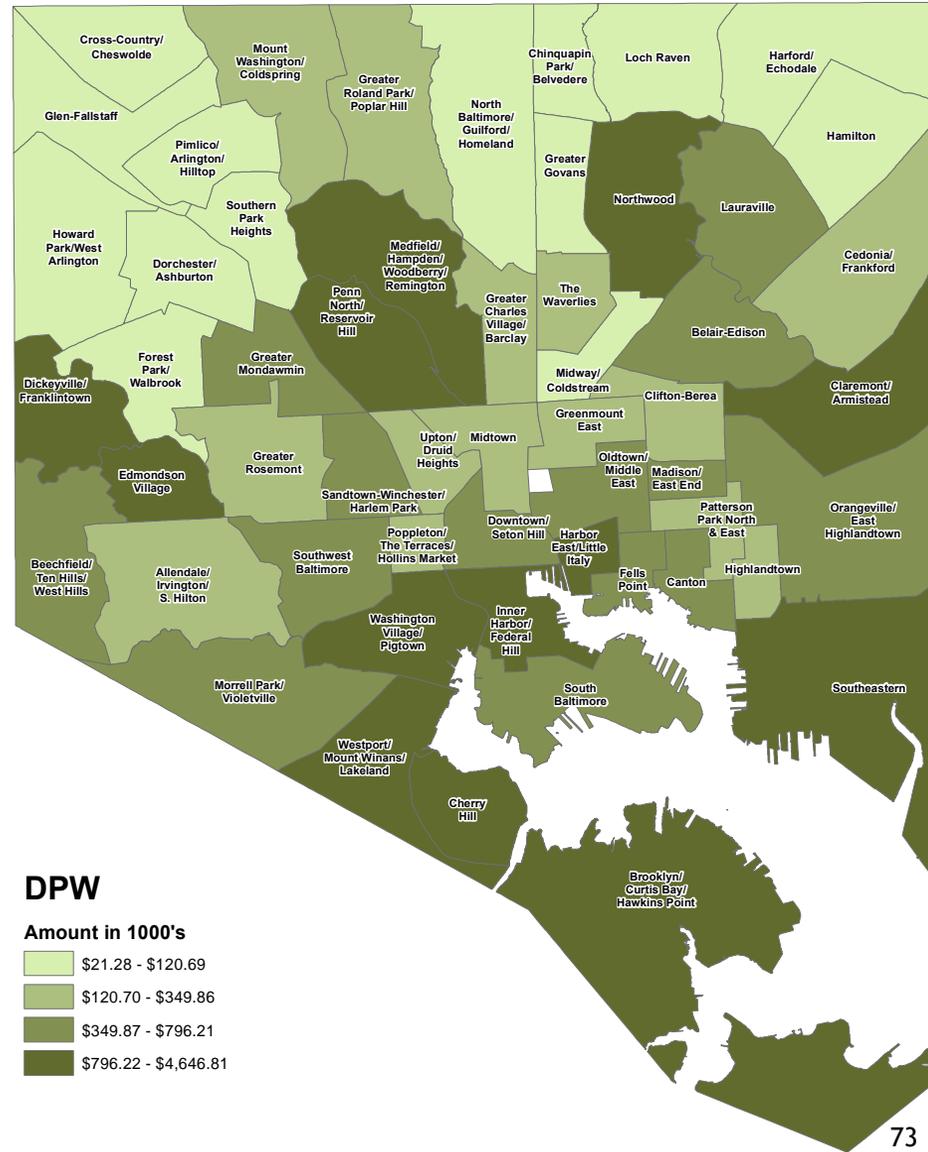
Per Capita CIP Allocations, FY 2024



Per capita is reported as per 1,000 people.

Source: Baltimore City Planning, March 2023

Per Capita CIP Allocations, FY 2024



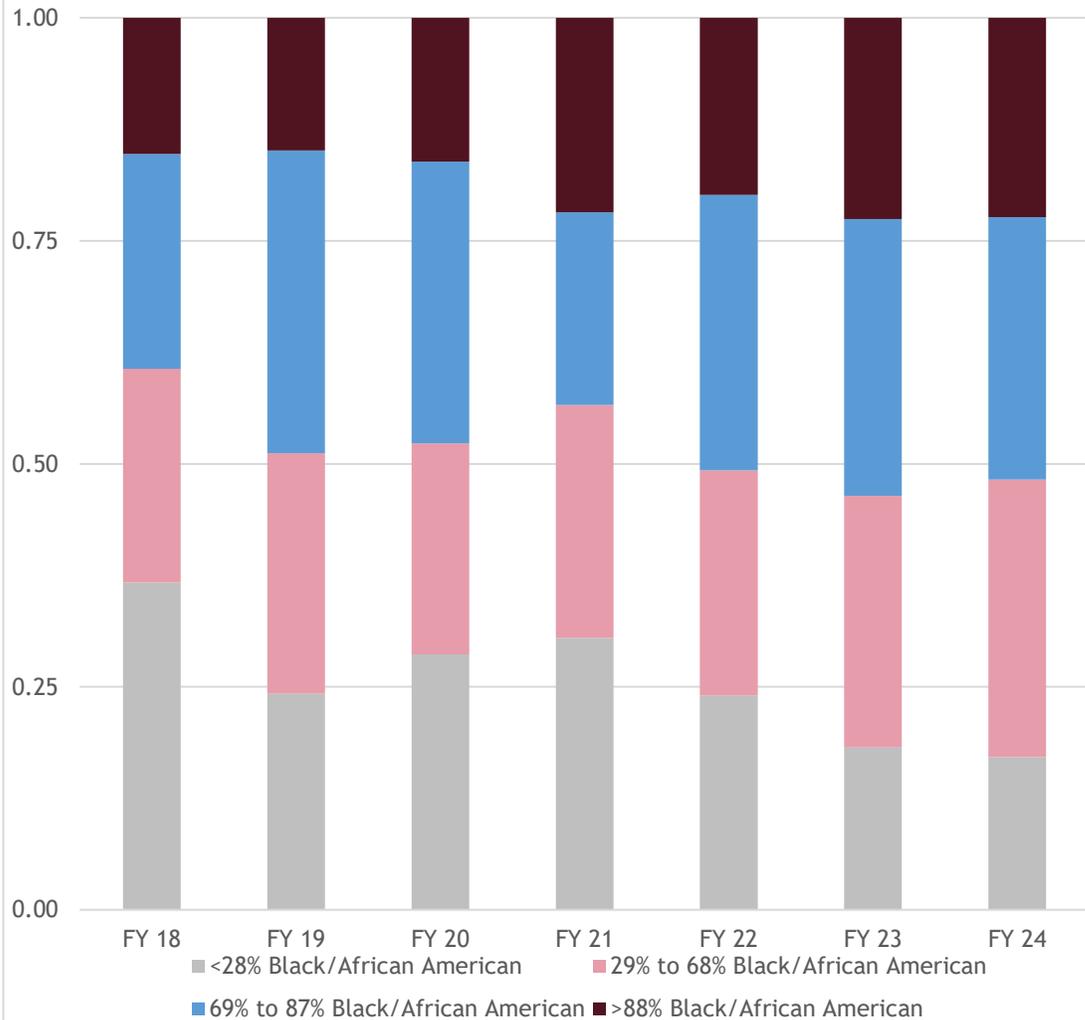
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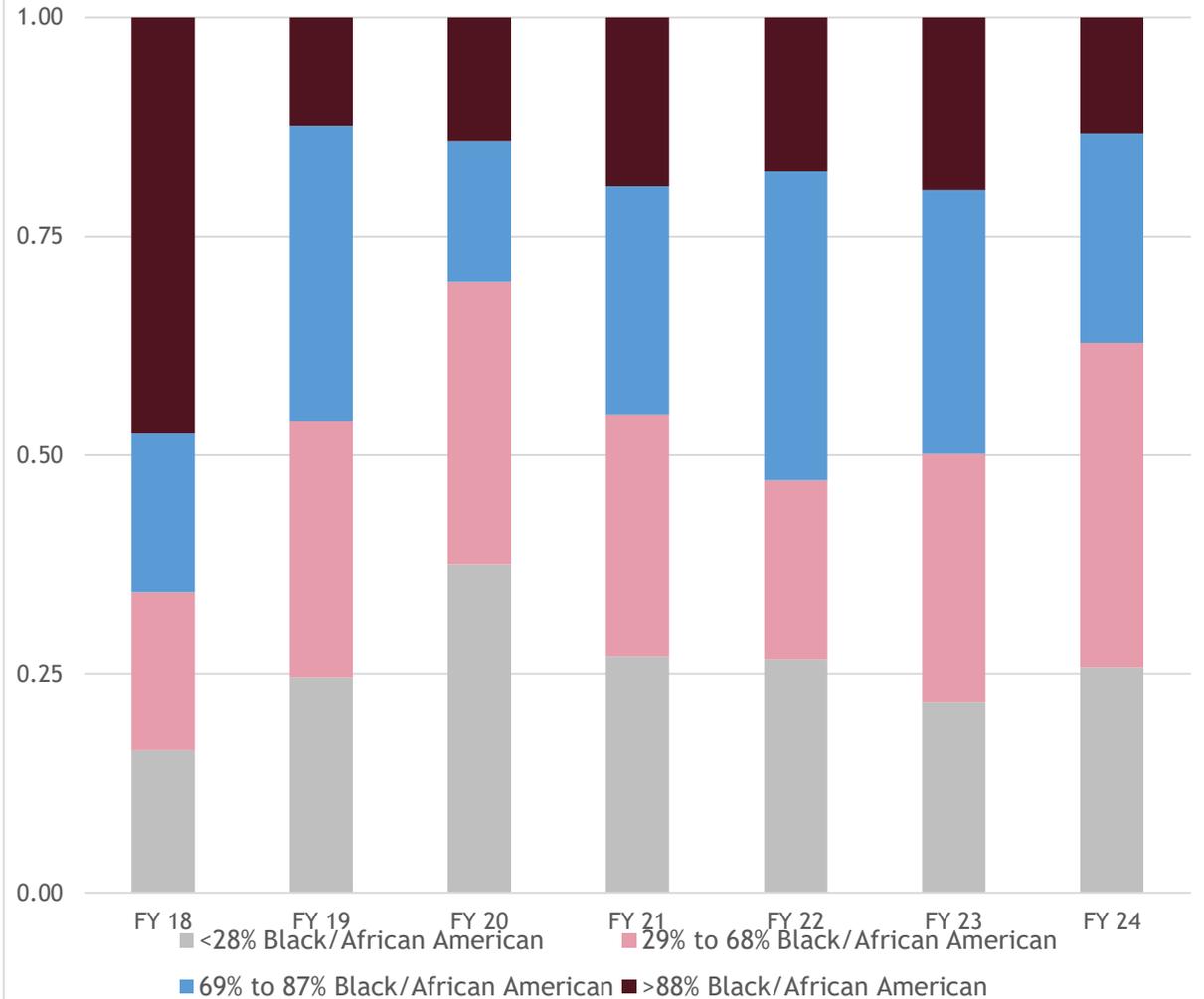


FY24 Preliminary Equity Analysis - Race

All Projects (NO DPW) Ratio of Per Capita Allocations by Percent of Residents - Black/African-American, FY18-24

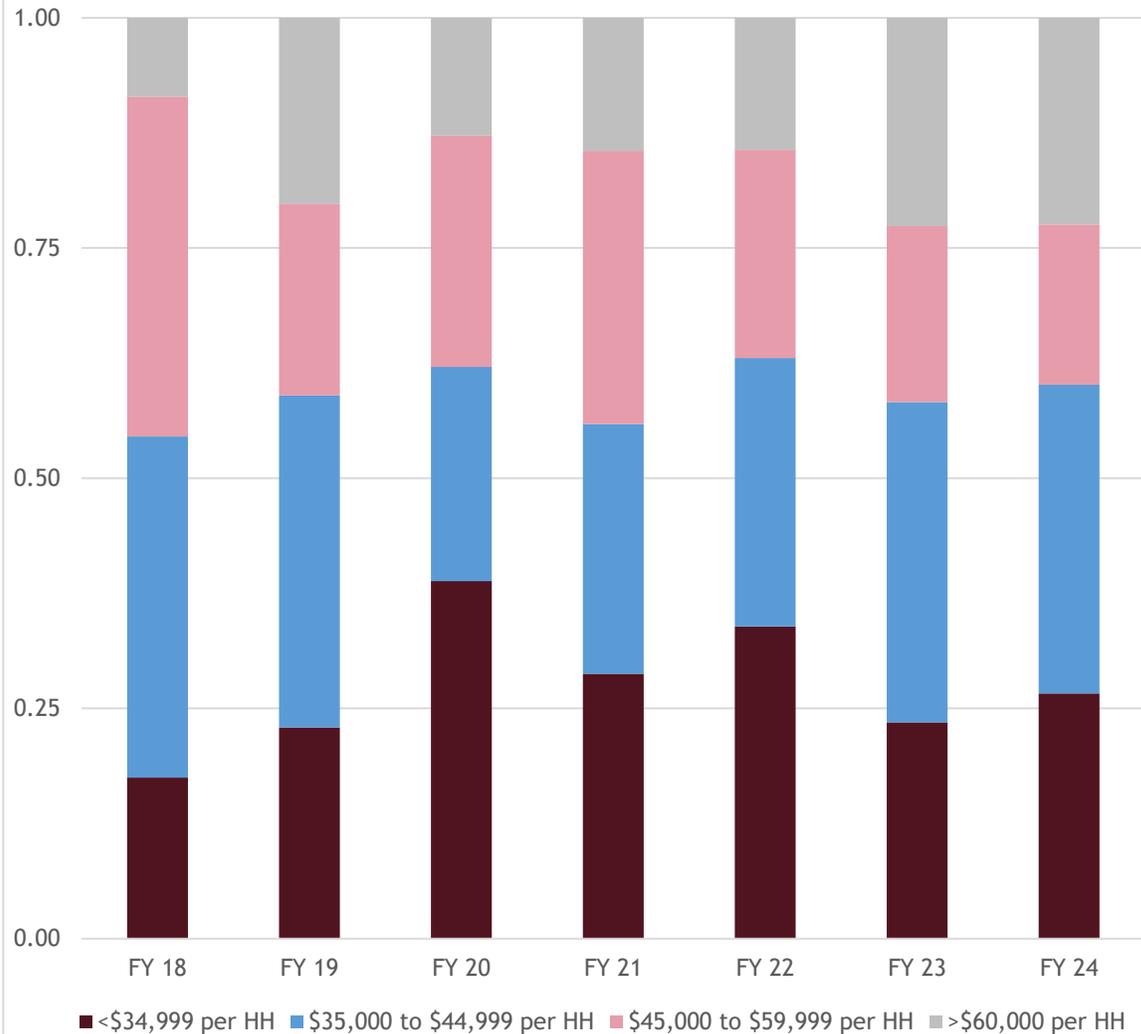


Ratio of Per Capita DPW Allocations by Percent of Residents - Black/African-American, FY18-24



FY24 Preliminary Equity Analysis - Median Household Income

All Projects (NO DPW) Ratio of Per Capita Allocations by Median Household Income, FY18-24



Ratio of Per Capita DPW Allocations by Median Household Income, FY18-24

