

*Andrew Kleine*

<b>FROM</b>	NAME & TITLE	Andrew Kleine, Chief
	AGENCY NAME & ADDRESS	Bureau of the Budget and Management Research Room 432 City Hall (410 396-4941)
	SUBJECT	City Council Resolution #09-0338 – Charter Amendment-Surplus Funds

CITY of  
BALTIMORE  
**MEMO**



DATE: October 14, 2009

**TO**

The Honorable President and  
Members of the City Council  
Room 400, City Hall

Attention: Ms. Karen Randle

City Council Resolution #09-0338 is a Charter amendment which would repeal a requirement for certain unanticipated surplus funds to be transferred to a capital bond fund appropriation reduction account and used only to substitute for general obligation bond borrowing.

The Finance Department supports this amendment. The Charter limits the amount of surplus revenues that may be used for general expenditures to 1% of the next fiscal year's adopted General Fund operating budget. This limit, though it may be well-intentioned, severely restricts Mayor and City Council flexibility to manage the City's resources.

Removing the cap on undesignated surplus would enable City leaders to decide the most appropriate use of surplus funds based on current fiscal circumstances and allow them to address unforeseen budget challenges more effectively.

cc: Edward J. Gallagher  
Angela Gibson

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