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SPECIAL MEETING

THIS MEETING OF THE BOARD OF ESTIMATES WAS CALLED
TO RECEIVED THE REPORT BY THE CITY ON THE ADOPTION OF
THE FISCAL YEAR 2012 OPERATING AND CAPITAL BUDGET
ORDINANCE AND TO CERTIFY THE REAL AND
PERSONAL PROPERTY TAX RATE FOR FISCAL YEAR 2012.

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Bernard C. "Jack" Young, President
Stephanie Rawlings-Blake, Mayor
Joan M. Pratt, Comptroller and Secretary
George A. Nilson, City Solicitor
Alfred H. Foxx, Director of Public Works
David E. Ralph, Deputy City Solicitor
Ben Meli, Deputy Director of Public Works
Bernice H. Taylor, Deputy Comptroller and Clerk

The meeting was called to order by the President.

President: "Good evening. The special meeting of the June 20, 2011 Board of Estimates meeting is now called to order. Before we proceed, I would like to give you a sense of how the meeting will flow. First we will receive the report by the City Council on the adoption of the fiscal year 2012 operating and capital budget ordinance. Second, the Board will adopt and certify the real and personal property tax rate for fiscal year 2012. At the time I would like to recognize members of the City Council who have joined me here today: Councilwoman Conaway, the Budget Chair; Councilman Cole, Councilman Reisinger, Councilwoman Middleton, Councilwoman Holton, Councilman Kraft. Did I miss anyone? Thank you. Now I would like to recognize Councilwoman Belinda Conaway, Chair of the Budget and Appropriation Committee, who will present the adopted budget to the Board."

President: "Come on up. Is it on?"

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Councilwoman Belinda Conaway: "Am I not loud enough?"

President: "You are loud enough."

Councilwoman Belinda Conaway: "Thank you Mr. President. It has been quite a long budget season with cuts to agencies, cuts to City services, and layoffs. But through that, we have been able to work through a budget, and we have been able to find an additional \$50,000.00 for summer jobs, so, I am pleased to present a passed budget from the City Council for fiscal year 2012. Thank you."

President: "Thank you. Now I would like to recognize Mr. Andrew Kleine, Director of the Bureau of the Budget and Management Research.

Mr. Andrew Kleine: "Good afternoon Mr. President, Madam Mayor, Madam Comptroller, Members of the Board of Estimates. In accordance with Article VI, §VII-C of the Baltimore City Charter, submitted herewith, is a report for the fiscal period July 1, 2011 through June 30, 2012. The report shows a taxable basis, the difference between anticipated General Fund expenditures, approved by the City Council and expected General Fund Revenues and funding sources exclusive of property taxes, and a sufficient tax rate needed to raise the difference between

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such anticipated expenditures, and revenues, and funding sources. The General Fund appropriation approved by the City Council is \$1,416,868,024.00. The General Fund revenue and funding sources, exclusive of property tax, estimated by the Board of Estimates: \$637,563,099.00. The property tax revenue required: \$779,304,925.00. The sufficient tax rates to generate this revenue for real property: \$2.68 per \$100.00 of assessed value and personal property and public utility real property \$5.67 per \$100.00. I ask for the Honorable Board's certification of the tax rates."

Mayor: "Thank you."

President: "Bear with me one moment. Madam Mayor, Madam Comptroller, members of the Board, City Council Colleagues, I would like to personally thank everyone for their hard work, diligence, and patience once again during this challenging budget process. Thank you, Madam Mayor for your commitment to making sure this City had a responsible and balanced budget. Thank you Councilwoman Conaway for your leadership as Chair. I jumped too quick. First of all, I will entertain a motion to certify the tax rate first."

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Mr. Nilson: "Yes, if you will entertain such a motion, I am happy to make it. Move the acceptance of the report, and the Ordinance of Estimates as presented, and the certification of the tax rates as follows: real property other than and public utilities \$2.268 per \$100.00 of assessed valuation; personal property and public utility real property \$5.67 per \$100.00.

Comptroller: "Second."

President: "All in favor say aye. Those opposed, nay? The motion carries. I have a motion and second the approved certification of the fiscal year 2012 tax rate of \$2.268 to 100.00 percent of assessed value. I already did this--All those in favor say aye. All opposed nay? Motion carry. Madam Mayor?"

Mayor: "Thank you very much. Good afternoon Council President Young, Comptroller Pratt and to all of the council members that are present. Baltimore like most other cities in this country, we are still facing the effects of the great recession. Lower revenues and rising costs created a \$181,000,000.00 in budget deficits over the past two fiscal years, which equals a 56 cent increase to the property tax rate. We have closed the budget gap while fully funding our City's obligation to public schools,

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fully funding the Police Department to reduce crime and we maintained critical city services that our neighborhoods rely on. All without raising property taxes by one single penny. While other cities and states have been forced to raise property taxes, and layoff police officers and teachers, we are hiring 300 new police officers this year, while keeping our property tax at its lowest level since 1972. I would like to thank the council president, the entire City Council, or the majority of them, the Director of Finance, Mr. Gallagher; the Chief of the Bureau of the Budget and Management Research, Mr. Andrew Kleine; and the rest of our finance team. No one can overcome these challenges alone. It is always about teamwork, and coming together doing what is right for Baltimore in tough times and I am certainly grateful for the willingness of so many to come together in the spirit of teamwork and cooperation to get things done. We did that all together, by making fiscal--by making fiscal responsibility, excuse me, a new hallmark of city government, implementing tough reforms, and making Baltimore one of few major cities to use outcome budgeting to demand better results for each taxpayer dollar that is spent. Through sacrifice and smart budgeting, City government is tightening its

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belt to get more value for taxpayers by doing what families are doing across this country every single day, making tough choices, and doing more with less. We started first by cutting the Mayor's Office by 19% over the past two years and by cutting central administrative costs across city agencies by 10% this year alone. This is a tough budget with no new taxes but it is also a smart budget plan because we are investing our resources into clear priorities to achieve the results that we want for Baltimore. We are fully funding our city's career center to help citizens get prepared and trained to find employment. We are increasing funding in the emerging technology center to support companies creating jobs for Baltimore's future, and despite the expiration of stimulus funding, that supported summer jobs in previous years, Youthworks will employ over 5,000 young people this summer. Roughly the same number who worked last year. I want to thank Karen Sitnick. I know she is not here, but she has been a tremendous resource for us. A great resource nationally, when it comes to workforce development. I want to thank her and her team for all of their hard work, and finally the fiscal year 2012 budget includes over \$389,000,000.00 in operating and capital support for programs that directly

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serve children and youth. In the coming days, we will release a new document called the Children's Budget. It details these investments, and strategies we are supporting to improve the lives of children. Together we are making the tough choices about what we can afford, and we are focusing our scarce resources of our shared priorities, better schools, safer streets, and stronger neighborhoods. By making tough choices today, we are laying a strong fiscal foundation to ensure that Baltimore's best days are ahead of us. Again, I want to thank my colleagues, and the people of Baltimore for working together on this years budget."

President: "Councilman-Council, I mean Comptroller Pratt. I am make you a council member."

Comptroller: "Thank you Mr. President. This fiscal year, as well as the last has been difficult and challenging. City agencies have worked extremely hard under the guidance of the Department of Finance to reduce costs, while maintaining essential services. We are fully aware that the lack of a robust economy and with constant increases in fixed costs, we must continue to look at ways to reduce expenditures in future years, while honoring our obligations to protect, educate,

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recreate, and provide a healthy environment to our citizens. We must be creative and innovative in economic development to stimulate Baltimore's economy, in order to give our citizens the opportunity to be productive and to provide for their families. Due to the State aid revenue increase of \$6,000,000.00 we were able to fund Enoch Pratt Free Libraries at its current services level. Current hours will be maintained at all branches, and the newly renovated Reisterstown Road branch will reopen. Furlough days are being reduced from four and eleven day to two and five depending upon your salary. This will allow employees to be more productive, which is beneficial to taxpayers. Five-thousand young adults will be employed in the summer Youthworks program, giving them the opportunity to learn and develop new skills, the value of a great work ethic, to save money, or purchase necessities. I am pleased that the Board of Estimates has noted the memorandum of understanding with the City Union of Baltimore for fiscal year 12, which includes a 2% COLA. We need to seriously look at increase for MAPS employees. MAPS employees have not received a COLA since 2009. All of our employees are important to the effective administration of government, and we need to be able to maintain as well as

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recruit people to serve in government. It is increasingly difficult to recruit, especially in MAPS classes, because of salaries and lack of COLAs. To be a viable city, we must be able to attract qualified and experienced persons to join us in public service. Since this is your city and our city, we welcome the citizens and community groups to donate their time, efforts, and resources to fill some of the gaps where some of the reductions have occurred. Finally, I would like to thank Mr. Gallagher, Mr. Kleine, and their entire staff for their diligent work in balancing the budget, Council President Young and the Baltimore City Council for their conscientious efforts in enacting the ordinances and resolutions needed to govern Baltimore. I thank the City employees for their hard work, which has continued while the City has struggled to balance its budget in the last few years. I want to especially thank Mayor Rawlings-Blake for her dedication to bringing forth a balanced budget that will help sustain this City, and provide service to our citizens. As with last year's budget we -- as with last year, this budget will call upon each of us to make sacrifices, but it is imperative that we continue to identify ways to use

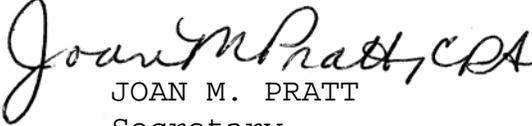
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funds efficiently, generate savings, and to continue to identify new resources. Thank you."

President: "Thank you. Madam Mayor, Madam Comptroller, members of the Board, and City Council Colleagues, I would like to personally thank everyone for their hard work, diligence, and patience once again during this challenging budget process. Thank you Madam Mayor for your commitment to making sure this City had a responsible and balanced budget. Thank you Councilwoman Conaway for your leadership as Chair of the Budget and Appropriation Committee. You did an outstanding job. Thank you to the citizens of Baltimore for your active participation in this process and for making sure that your voices was heard and your pride was known. I would like to also thank my City Council colleagues for recognizing the challenges before us as we continue to move the City forward with the least amount of burden on our taxpayers. Finally, I would like to thank Mr. Gallagher, Mr. Kleine, and your staff for their hard work on this budget as well. Like other major cities across the county, Baltimore continues to feel the effects of a declining revenue. It is my responsibility as Council President, to work with my colleagues on the Council, to make sure City services were

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minimally impacted. I and my colleagues on the City Council and the Board of Estimates recognize that we are asking our residents, City workers, and business leaders, most whom live here with us, as we get through these tough economic times. Although the City's economic outlook is not as dire as last year, we are still not where we need to be, but we remain committed to helping the city remain stronger and better positioned for the future. Thank you. There being no more business before the Board, we are adjourned until its regular scheduled meeting on Wednesday, June 22, 2011."


JOAN M. PRATT
Secretary