Public Information & Listening Session
August 11, 2020

Meeting will begin at 6pm
Agenda

I. Overview of Capital Improvement Program (CIP) and Capital Budget
   • Context of CIP in Overall City Budget
   • Definition of Capital
   • Process
   • Sources of Funding
   • Uses of Funding
   • Analyzing Equity

II. Public Comment/ Listening Session
Webex Instructions

- **BLUE = ENGAGED / ON**
- **BLACK = DISENGAGED / OFF**
- **RED = MICROPHONE IS OFF** (always, unless you are speaking)
  **CAMERA IS OFF**

Diagonal arrows from the top-left to bottom-right:
- YOUR MICROPHONE
- PARTICIPANTS
- MORE OPTIONS

Diagonal arrows from the top-right to bottom-left:
- YOUR VIDEO
- CHAT
- LEAVE MEETING
Asking Questions / Making Comments

Part 1 (CIP Overview):
Please type your questions into the “chat” box. Please make sure to select “All Participants” or “Everyone” so that everyone can benefit from seeing your question.

Part 2 (Public Comment):
Use “Raise Hand” to indicate that you would like to comment. We will go one by one and unmute participants to hear comments.
Overall City Budget (Operating and Capital)

Billions


Operating | Capital

$1 | $2 | $3 | $4 | $5
Capital Budget

- Physical infrastructure
- Long-term investments
- Major renovations or replacements
- Does not include:
  - Vehicular equipment
  - Items < $100,000
  - Emergencies

Operating Budget

- Daily business of the City
- Programs and services
- Staff
- Supplies
- Debt repayment
Types of Capital Projects

- Roads
- Bridges
- Bike Lanes
- Sidewalks
- Major Software Systems
- Cultural Attractions
- Schools
- Libraries
- Municipal Buildings
- Police & Fire Stations
- Senior Centers
- Health Clinics
- Convention Center
- Parks
- Recreation Centers
- Water/Sewer Pipes
- Sewage Treatment Plants
- Water Treatment Plants
- Pumping Stations
- Stormwater Infrastructure
- Demolition of Vacant/Abandoned Buildings
- Housing Redevelopment Projects
- Public Markets
- Economic Development Projects
Investment in the City

- Operating Budget
- Capital Budget
- Private Investment
- Federal & State Programs
- Philanthropy
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 Board of Estimates (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
Process - Formulating Recommendations

- **September/October**: Planning Provides Agencies with Instructions & Likely Funding Levels
- **December**: Agencies Submit Projects for Consideration
- **December - February**: Planning Staff Meets with Agencies to Review Submitted Projects
- **January**: Agencies Present Priorities to Planning Commission
- **February**: Planning Staff Formulates Recommendations
- **March**: Planning Commission Vote
Process - Formal Approvals & Opportunities for Public Testimony

1. **Planning Commission Vote** - Early March
2. **Board of Finance Vote** - Late March
3. **Board of Estimates Vote** - May
4. **City Council Vote (First Year Only)** - June
Planning Commission Evaluation Criteria

- Necessary to protect public health and safety
- City funding will leverage other fund sources
- Capital investment will result in operating savings
- Fulfills a state or federal mandate
- Necessary to implement a priority housing or economic development project
- Promotes private-public partnerships
- Implements the City’s Comprehensive Master Plan, area master plans and/or agency/institution’s master plan
- Implements the City’s Sustainability Plan
- Agency has prioritized the project
- Promotes equity
Capital Budget Trends

<table>
<thead>
<tr>
<th>Year</th>
<th>Millions</th>
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<tbody>
<tr>
<td>2011</td>
<td>$394</td>
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<tr>
<td>2012</td>
<td>$406</td>
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<tr>
<td>2013</td>
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</tr>
<tr>
<td>2020</td>
<td>$627</td>
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<tr>
<td>2021</td>
<td>$823</td>
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</table>

- Other
- State Funds
- Federal Funds
- County Grants
- Utility Funds
- Revenue Loans
- Short-Term Loan (IT)
- Transp Revenue Bonds
- General Funds HUR
- City General Funds
- City Bond Funds
FY21 Funding by Fund Source

- **Revenue Loans**, $451,538
- **County Grants**, $154,777
- **City Bond Funds**, $80,000
- **City General Funds**, $500
- **General Funds HUR**, $0
- **Transp Revenue Bonds**, $15,000
- **Short-Term Loan (BCIT)**, $7,300
- **Other**, $63,750
- **State Funds**, $8,630
- **Federal Funds**, $39,967
- **Utility Funds**, $1,750
- **County Grants**, $154,777

Amounts in thousands
FY21 Utility Funding (Water, Sewer, and Stormwater)

- County Grants, $154,777
- Revenue Loans, 451,538
- Federal Funds, $39,967
- State Funds, $8,630
- City Bond Funds, $80,000
- City General Funds, $500
- General Funds HUR, $0
- Transp Revenue Bonds, $15,000
- Short-Term Loan (BCIT), $7,300
- Other, $63,750
- Utility Funds, $1,750
- County Grants, $154,777

Amounts in thousands
FY21 Funding by Agency

Amounts in thousands

- Schools, $19,000, 2%
- BCIT, $8,300, 1%
- DGS, $20,200, 3%
- Rec and Parks, $18,105, 2%
- HCD, $35,467, 4%
- BDC, $2,300, 0%
- Mayorality-Related/Planning, $1,295, 0%
- Transportation, $104,880, 13%
- DPW: Solid Waste, $5,600, 1%
- DPW: Utilities, $608,065, 74%
FY21 General Fund-Backed Sources

- General Obligation Bonds, $80,000
- City General Funds, $500
- General Funds HUR, $0
- Transp Revenue Bonds, $15,000
- Short-Term Loan (BCIT), $7,300
- Other, $63,750
- Federal Funds, $39,967
- State Funds, $8,630
- Revenue Loans, 451,538
- County Grants, $154,777
- Utility Funds, $1,750

Amounts in thousands
Fund Source Trends (General Fund-Backed Sources)

<table>
<thead>
<tr>
<th>Year</th>
<th>Short-Term Loan (IT)</th>
<th>Transp Revenue Bonds</th>
<th>General Funds HUR</th>
<th>City General Funds</th>
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FY21 Funding by Agency (General Fund-Backed Sources)

Amounts in thousands

- Transportation: $23.755
- Housing & Community Development (HCD): $21.8
- School System*: $19
- General Services (DGS): $10.6
- Recreation & Parks: $9.3
- Information Technology (BCIT): $8.3
- Public Works (DPW) - Solid Waste: $5.6
- Baltimore Development Corporation (BDC): $3.3
- Mayoralty & Planning: $1.145
Capital Budget Needs versus Available Funding

Funded

Targets/Requested

Needed
EQUITY IN THE CAPITAL BUDGET
Equity Definitions

City Equity Definition (Article 1 39-1 / Equity Assessment Program)
Equity means closing the gaps in policy, practice and allocation of resources so that race, gender, religion, sexual orientation and income do not predict one’s success, while also improving outcomes for all.

Planning Department Equity Definition
An equitable Baltimore addresses the needs and aspirations of its diverse population and meaningfully engages residents through inclusive and collaborative processes to expand access to power and resources.
FY21-26 Per Capita CIP
Allocations by Neighborhood
Allocations by Racial Demographics of Neighborhood

Ratio of Per Capita CIP Allocations by Percent of Residents - Black/African-American, FY14-21

- >92% Black/African American
- 70% to 91% Black/African American
- 33% to 69% Black/African American
- <32% Black/African American

FY14-16 Total Per Capita
FY15-17 Total Per Capita
FY16-18 Total Per Capita
FY17-19 Total Per Capita
FY18-20 Total Per Capita
FY19-21 Total Per Capita
Allocations by Income of Neighborhood

Ratio of Per Capita CIP Allocations FY14-21 by Median Household Income

- $>54,000 per HH
- $40,000 to $53,999 per HH
- $34,000 to $39,000 per HH
- $<33,999 per HH
Next Steps - Immediate

• Conduct analysis earlier in the CIP review process

• Use the Equity Assessment Program to require agencies to provide additional location information

Next Steps - Long Term

• Establish a review/oversight committee to provide input into project selection and oversight

• Provide more active review of utility-funded projects

• Change business practices as needed to better assess equity

• Engage with community stakeholders to understand the impact of projects

• Consider how each agency might respond to equity challenges

• Learn best practices from other cities
Prompts

1. **Process:** Do you have questions about the process or suggestions about how to improve the process?

2. **Equity Analysis:** Do you have questions about the equity analysis or suggestions about how to improve the analysis? Of the next steps listed, what are your top priorities?

3. **Big Picture Priorities:** In this presentation, we showed you how much funding goes to each agency, both total funding and discretionary funding. What would you increase funding for and why? What would you reduce funding for and why?

4. **Specific Projects:** Do you have specific projects that you would like to advocate for? Could be a type of project, such as sidewalks, or a specific project, such as improvements to a playground in your neighborhood.