



MAYOR
BRANDON M. SCOTT

Bureau of the Budget
& Management
Research

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Securing Baltimore's *future.*

Baltimore City 10-Year Financial Plan

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Mayor's Letter

December 2025

My Fellow Residents,

Baltimore City is at a crossroads. In the next decade, we have an opportunity to leave behind the disinvestment and budget deficits of our past, and instead build a Baltimore where all of our residents have access to a great education, a good job, a safe home, and an affordable, opportunity-filled life. Within this decade, I believe that version of Baltimore, the best version of Baltimore, is within reach — but it is not guaranteed.

To get there, we have to start planning and investing today. We have to strengthen our fiscal foundation. We have to be intentional with every dollar we spend. And frankly, we have to make some hard choices.

But this is nothing new. We've dealt with a host of challenges and opportunities before, and we've met the moment each time. During my first term, we survived a global pandemic and its economic fallout. We experienced dramatic changes in our workplace. We benefited from massive federal investments under the Biden-Harris administration with the

American Rescue Plan Act (ARPA), the Inflation Reduction Act (IRA), and the Infrastructure Act. We began a significant new investment in our City Schools.

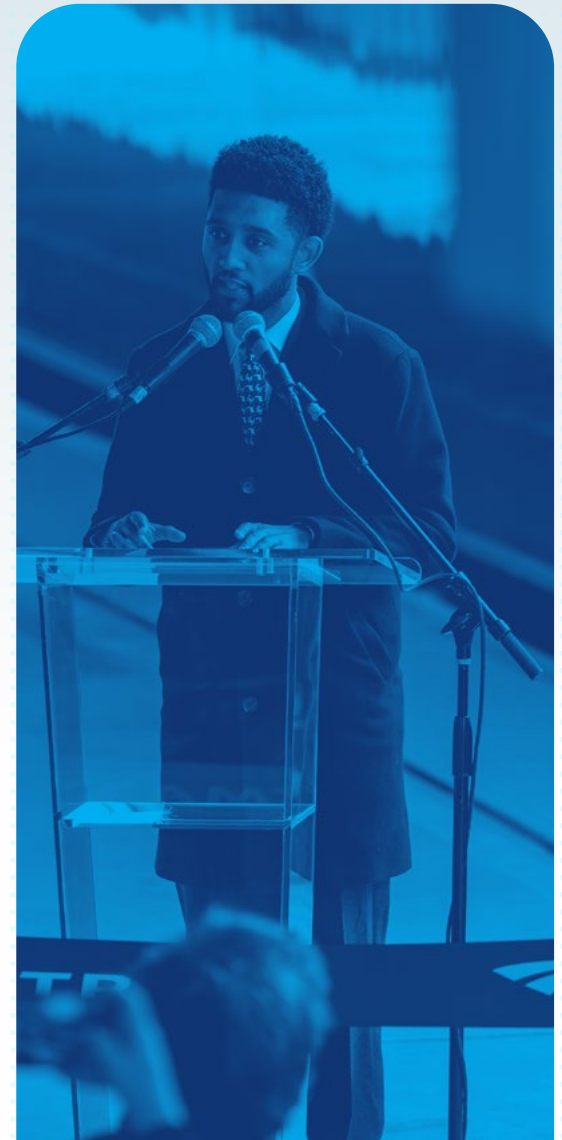
Now, as we look ahead, the same strategies and the same fiscal responsibility that got us through those moments will help us deliver on this 10-Year Financial Plan for Baltimore. Together, we will stabilize our budget while investing in our neighborhoods. We will lower taxes, improve service delivery, and build new infrastructure — which will help to drive growth and innovation citywide.

I look forward to building the thriving, equitable Charm City that we know is possible — one where all of our residents can reach their full potential. It won't be easy. But it will be worth it.

In service,



Mayor Brandon M. Scott



City Administrator's Letter

December 2025

Dear Baltimore,

Today I am pleased to share with you **Securing Baltimore's Future: A 10-Year Financial Plan for Baltimore, FY26–35**. This document lays out a responsible approach to managing the City's finances over the next decade — while investing in the services and priorities that matter most to you, our community.

In today's rapidly changing world, and in the face of economic and fiscal pressures, cities must adapt and evolve to meet new challenges, which is why this plan places a strong emphasis on modernizing the way we serve you. Whether its' expanding online services, digitizing revenue collections, or redesigning services with cutting-edge technology, we are committed to making city services more accessible, responsive, and effective.

These investments are not about spending more — they're about doing more with what we have. By embracing new solutions, streamlining operations, and leveraging data to make better decisions, we're working to stretch every dollar further while improving your day-to-day experience with city government.

Thank you for your continued support for making Baltimore a great place to live, work, and thrive. I encourage you to review the plan, stay informed, and join us in shaping a more connected, modern, and resilient Baltimore.

In service,

Faith P. Leach

City Administrator Faith Leach



Introduction

Securing Baltimore's Future is the second long-range financial plan for Baltimore and continues the City's tradition of forward-looking financial planning.



In 2013, Baltimore released ***Change to Grow — A 10-Year Plan Financial Plan for Baltimore***, which covered the period from Fiscal 2013 to Fiscal 2022. Change to Grow set out a plan to balance the City's budget while enabling strategic investments that would spur future growth. That plan helped guide the City through the post-Great Recession recovery and led to significant successes. In many ways the City's finances today — with lower tax rates, stronger reserves, and reduced unfunded liabilities — are in better shape than they were in 2013, thanks in large part to the success of ***Change to Grow***.

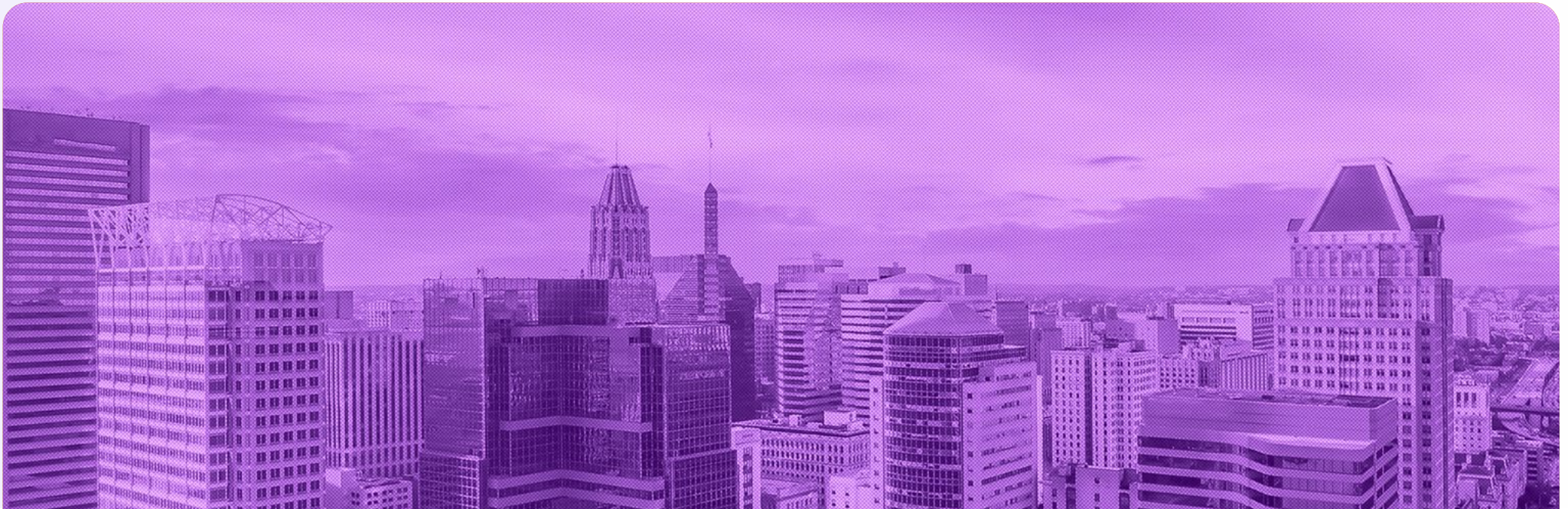
However, during the period covered by ***Change to Grow***, the City was unable to reverse its decades-long population decline. Moreover, the economic

disruption caused by the COVID-19 pandemic created a turbulent period for the City's budget between Fiscal 2020 and Fiscal 2025. Today, the City continues to grapple with some of the challenges that emerged during this time, as well as the uncertainty resulting from political and economic challenges at the federal and State levels:

COVID-19:

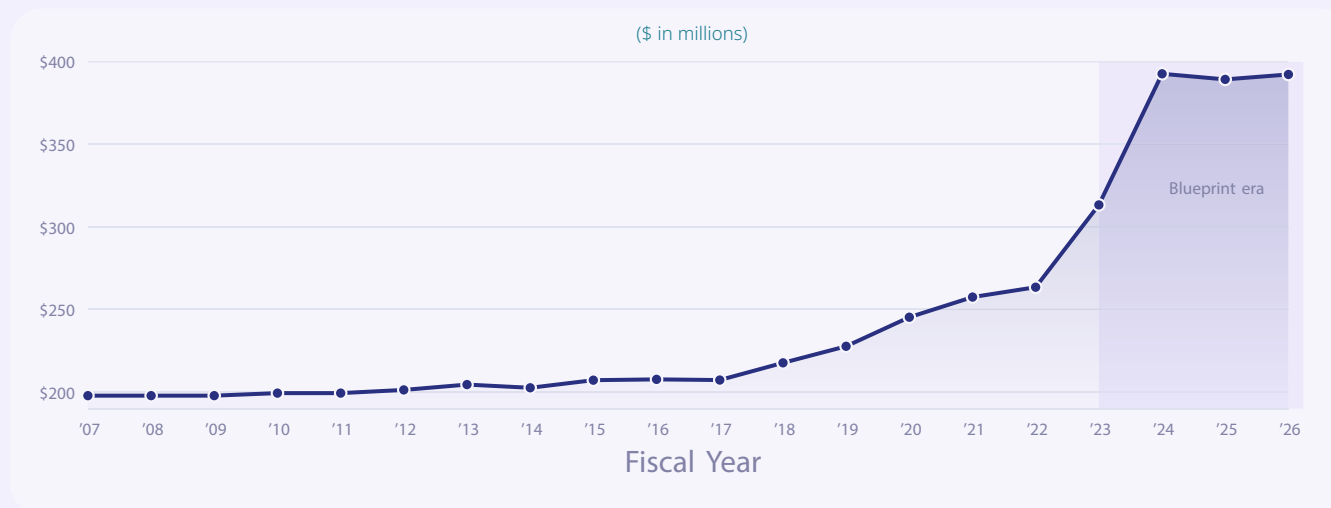
Baltimore was hit particularly hard by the initial economic shock from COVID-19. In Fiscal 2020, the City's General Fund ended in deficit due to a sharp loss of revenue, which required a withdrawal from the City's Rainy Day Fund for only the third time in its history. In Fiscal 2021, the City implemented over \$100 million in recurring budget reductions due

to the impact of the pandemic on local revenues. Although the national economy rebounded strongly from the initial shock, Baltimore, like many large cities, has faced longer-lasting challenges due to its reliance on commuter and visitor revenues such as hotel taxes, parking revenues, Convention Center income, and admissions and amusement tax. Additionally, the pandemic impacted the office and retail markets which resulted in declining commercial property tax collections, especially in the vicinity of downtown.



City Mandated Investments for Schools Grew Sharply Since the Blueprint

City-mandated funding for schools has risen from just over \$200M in the late 2000s to nearly \$400M by FY26.



Education Investments:

Just as the City's post-COVID-19 revenue outlook began to improve, it was faced with a new fiscal challenge — a sharp increase in State-mandated costs for local schools. In 2020, the Maryland General Assembly passed the “Blueprint for Maryland’s Future,” which mandated higher local contributions to school systems. Between Fiscal 2022 and Fiscal 2024 the City’s required annual contribution grew from \$263.5 million to \$393.2 million, an increase of \$129.7 million (49.2%) over just two years. This increase was more than double the impact projected by State budget analysts.

Inflation:

After more than two decades of relatively low inflation, the Consumer Price Index (CPI) increased by 4.7% in 2021, 8.0% in 2022, and 4.1% in 2023. This higher

inflation rate impacted numerous budget items — such as wages, contracts, materials, and capital investment — adding additional strain on the City’s budget.

Federal Aid:

The American Rescue Plan Act (ARPA) of 2021 allocated \$641 million in direct funding to the City to address the COVID-19 public health emergency and its negative economic impacts. While this funding was largely used for strategic one-time investments, the City also began testing and evaluating new programs and interventions, particularly in crime prevention and violence reduction. Under federal law, ARPA funds were required to be obligated by the end of 2024 and fully spent by the end of 2026. These deadlines place additional pressure on the City’s operating budget, especially if it seeks to continue any ARPA-funded

programs that have demonstrated positive results.

Federal & State Challenges:

The nation, State, and City are beginning to feel the impacts of several actions taken by the current federal administration, including tariffs, aggressive immigration enforcement, Medicaid and Medicare cuts, expanded requirements for social welfare programs, and federal employee layoffs. The federal administration has also adopted a more adversarial stance towards cities and states with Democratic leadership, heightening uncertainty around federal partnership and funding opportunities for projects critical to City residents. At the same time, Maryland is grappling with its own long-term budget challenges, addressed in part through Fiscal 2026 tax and fee increases and by shifting additional costs to local jurisdictions.

The combined effects of lingering economic impacts from COVID-19, rising investments in schools, higher inflation, the expiration of federal aid, and broader political and economic uncertainty at the federal and State levels have reopened a structural imbalance in the City's General Fund. The General Fund, supported primarily by local revenues such as property tax and income tax, is the City's largest and most important funding source. Although the City receives federal, State, and private grant funds, the General Fund remains the most flexible and is critical to sustaining essential City services. To address these challenges, the City must pursue long-term, recurring solutions to stabilize and strengthen the General Fund, as outlined in this Plan.

Long-Range Financial Planning Process

The 10-Year Financial Plan starts with a baseline projection of the City's General Fund revenues and expenditures over the next decade. To develop this projection, the Bureau of Budget and Management Research (BBMR) has built a multi-year model capable of applying various growth assumptions to thousands of individual revenue and expenditure line items. Each year, BBMR updates this model as part of the Current Level of Service (CLS) forecast. The CLS forecast assumes the continuation of current programs and reflects mainstream forecasts for economic factors such as inflation, revenue growth, and population changes.

While the City's budget is balanced for Fiscal 2026, BBMR projects that recurring revenues will fall short of recurring expenditures starting in Fiscal 2027 and continuing forward. This structural gap will result in an annual deficit of \$47.2 million in Fiscal 2027, growing to \$175.8 million by Fiscal 2035 for a cumulative deficit of \$1,002.9 million. By law, the City must pass a balanced budget within five days of the start of the subsequent fiscal year and must end the fiscal year in balance. Without corrective action, the cumulative General Fund shortfalls would exhaust the City's reserves in less than three years.

General Fund Baseline Projection (\$ in millions)

	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35
Revenue	2,604.0	2,615.9	2,628.5	2,719.5	2,794.7	2,869.6	2,951.5	3,034.7	3,118.8	3,210.3
Operating Expenditures	2,454.4	2,557.9	2,658.4	2,754.1	2,854.5	2,961.3	3,071.5	3,186.1	3,245.7	3,371.1
PAYGO Capital	149.6	105.2	36.4	31.8	27.1	22.3	17.2	15.0	15.0	15.0
Annual Deficit	0.0	(47.2)	(66.3)	(66.4)	(86.9)	(114.0)	(137.2)	(166.4)	(141.9)	(175.8)
Cumulative Deficit	0.0	(47.2)	(113.5)	(179.9)	(266.8)	(380.8)	(518.0)	(684.4)	(826.3)	(1,002.9)

Securing Baltimore's Future

is a set of actions and investments that, if implemented over the next decade, will address this fiscal uncertainty and ensure the City achieves a sustainably balanced budget while fostering long-term population growth and community vitality. The 10-Year Financial Plan requires focusing not only on cost control, but also on improving quality of life and strengthening the City's competitiveness. The Plan is built around cornerstones, which are comprised of different initiatives that will achieve the overarching goals of the Plan, as well as measures of success that allow the City to assess progress in these areas.

Cornerstones

The Plan is organized around three Cornerstones that represent critical areas where progress is essential for the City thrive and grow:



Core Service Delivery:

Residents and visitors should expect high-quality services delivered in a timely and efficient manner. The Plan calls on the City to modernize operations, improve customer service, and eliminate waste, to provide a better overall experience at a lower cost to taxpayers. This means cleaner streets, faster response times, easier access to services, and greater confidence in City government.



Infrastructure Development:

A strong built environment is the backbone of any growing city. From safe roads and reliable transit to quality schools, parks, and public spaces, infrastructure investments directly influence whether families and businesses choose to stay and grow in the City. Over the next decade, the Plan emphasizes investments that will address aging infrastructure while positioning the City for future development and driving economic development across the community.



Tax Competitiveness:

Property tax rates play a major role in where families and businesses decide to locate. Today, the City's higher property tax rate creates a competitive disadvantage compared to neighboring jurisdictions. By steadily reducing this burden, while at the same time broadening and diversifying the City's tax base, the Plan seeks to make the City more affordable for current residents and more attractive for new investment.

Initiatives

To put these Cornerstones into action, the 10-Year Financial Plan includes 85 initiatives that are strategically aligned to advance one or more of the three Cornerstones. While the initiatives vary in size and scope, they collectively represent a comprehensive blueprint for strengthening the City's financial position and community

Fiscal Impact:

Most initiatives are designed to either generate new revenue or reduce costs compared to the City's baseline 10-year projection. Others involve targeted investments — upfront costs that will yield long-term benefits, such as improved infrastructure, enhanced services, or greater competitiveness.

Implementation:

The pathway for each initiative differs. Some can be implemented under the Mayor's existing authority. Others will require new local or State legislation or approval by the Board of Estimates, the City's spending board. Still others will depend on collaboration with community organizations, private partners, or employee unions. Appendix B (page 48) provides detailed information on each initiative, including its implementation authority, timeline, and projected financial impact.

Collective Results:

Although each initiative comes with its own level of complexity, the combined effect is both ambitious and achievable. Taken together, the initiatives are projected to generate over \$1 billion in net resources over the next decade. These resources will be critical not only to closing the City's structural budget gap, but also to advancing the Cornerstone goals — improving services, upgrading infrastructure, and lowering taxes.

In sum, the initiatives outlined in this Plan represent a balanced approach: they provide the fiscal discipline needed to ensure long-term sustainability, while at the same time making the investments required to grow and strengthen the City for generations to come.

Measures of Success

In addition to tracking the progress of individual initiatives, the success of the 10-Year Financial Plan will be evaluated against a balanced set of fiscal and operational outcomes. These measures are designed to provide accountability to residents, ensure the City's financial stability, and demonstrate progress toward long-term priorities.

Importantly, financial results will not be pursued in isolation. The Plan is structured to ensure that new revenues or expenditure savings are reinvested in ways that reinforce the City's broader goals. For example, within **Core Service Delivery**, savings from employee benefit plan modifications will be redirected to support consistent cost-of-living adjustments and targeted salary enhancements to retain and recruit a strong workforce. Similarly, under **Tax Competitiveness**, revenues generated by broadening and diversifying the City's tax base will be used to fund greater **Infrastructure Investment** through expanded General Obligation bond issuances that require increased debt service payments.

To balance the financial sustainability goals with the broader City-wide operational goals, we designed two sets of measures:

Overall Fiscal Health: Indicators that monitor the City's financial foundation, measuring reserve levels, debt ratios, and unfunded liabilities, which are closely aligned with the benchmarks used by municipal bond rating agencies. They also continue the emphasis of the original 10-Year Financial Plan, **Change to Grow**, on reducing long-term liabilities and strengthening reserves.

Cornerstone-Specific Outcomes: Indicators that track progress within each of the Plan's three Cornerstones, measuring how investments in service delivery, infrastructure, and tax competitiveness translate into tangible improvements for residents and businesses.

The table below summarizes each of the eight Measures of Success. Further explanation of the Cornerstone-specific measures is included at the end of the chapters for Core Service Delivery, Infrastructure Investment, and Tax Competitiveness. Further explanation on each of the Overall Fiscal Health measures is included in Appendix A.

Measure	Cornerstone	Target
General Fund Vacancy Rate	Core Service Delivery	Less than 10%
General Fund Positions per 1,000 Residents	Core Service Delivery	Less than 17.2 positions
General Fund-Supported Capital Spending	Infrastructure Investment	\$250 million annually
Full and Residential Homeowner Tax Rate	Tax Competitiveness	\$2.12 (Full) / \$1.76 (Residential Homeowner)
Property Tax Reliance	Tax Competitiveness	Less than 47.2%
Rainy Day Fund	Overall Fiscal Health	8% of next year's operating budget
Debt Service to General Fund Revenue Ratio	Overall Fiscal Health	Less than 8%
Funded Ratio of Pension & Healthcare Liabilities	Overall Fiscal Health	Greater than 85%



Cornerstone #1

Core Service Delivery





Cornerstone #1

Core Service Delivery

Residents and visitors should expect high-quality services delivered in a timely and efficient manner. The Plan calls on the City to modernize operations, improve customer service, and eliminate waste, to provide a better overall experience at a lower cost to taxpayers. By building a leaner, more efficient, yet better-paid workforce, the City can deliver faster response times, easier access to services, and greater confidence in City government.

Measures of Success

10% General Fund
Vacancy Rate

17.2 General Fund Positions
per 1,000 Residents

Key Strategies

\$346.7M Savings

Initiative Categories

Optimize Service Delivery

- Leverage technology and best practices to improve efficiency and effectiveness of services
- Strengthen oversight to root out inefficiencies and deliver the best service at the lowest cost
- Examine the structure and governance of City functions to improve agency responsiveness

Maximize Compensation

- Rebalance compensation packages to create a more competitive, modern salary structure
- Modernize leave practices to stay competitive and foster a family-friendly work environment

- Rebalance Compensation
- Leave Modernization
- Parking and Traffic Modernization
- Public Safety Reforms
- Opioids Restitution
- Technology and Modernization
- Competition
- Oversight
- Governance

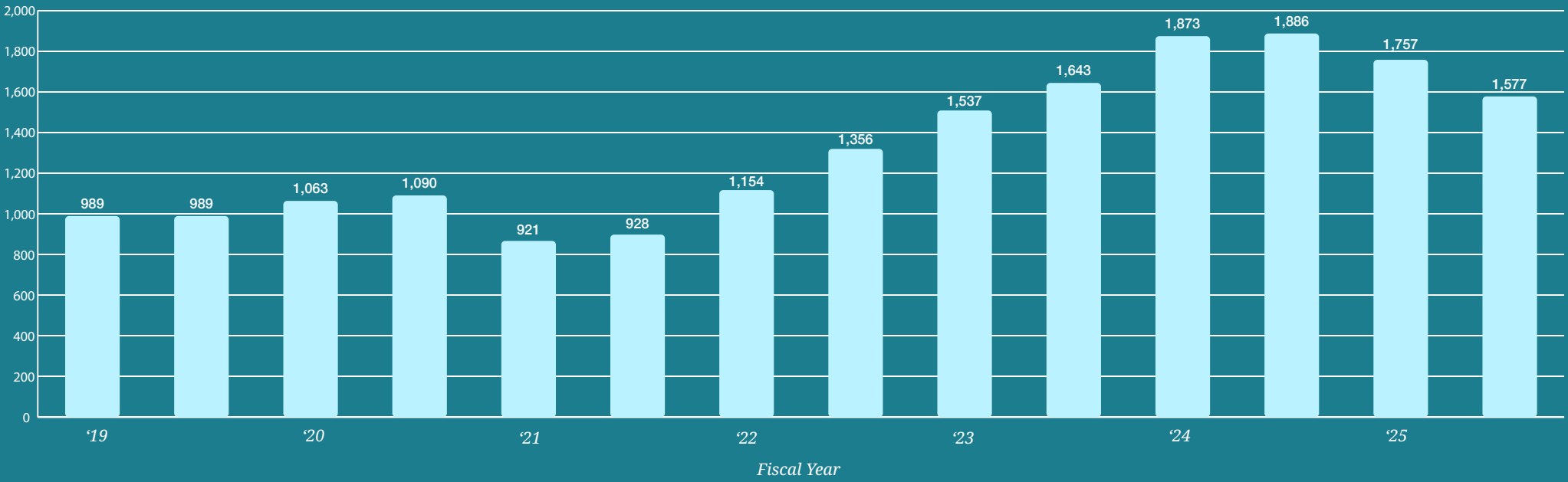
Findings

The City’s primary responsibility to the public is to deliver essential services that its residents, businesses, and visitors rely on. Achieving this requires a complex and coordinated effort across thousands of municipal employees.

In the aftermath of the COVID-19 pandemic, the City faced significant workforce disruptions that threatened its ability to provide these critical services. The labor market tightened considerably, challenging employers that were looking to hire and retain key employees, and workers made new demands around pay, virtual work, and work-life balance. At the same time, trends in public safety hiring and retention — with many police officers leaving the field entirely — exacerbated pressures on municipal governments nationwide.

Baltimore felt the impact of these broader trends directly. Vacancy rates for City government positions soared, and City service delivery suffered due to these labor shortages. While hiring rates began to improve in Fiscal 2025, the City is focused on developing strategies to deliver quality service in the post-COVID-19 world.

City Vacancies Soared in the Post-COVID-19 Period





Strategies

There is a natural tension inherent in the City's goal of delivering quality services while maintaining budget solvency. On the one hand, the quality of public services plays a crucial role in determining where people choose to live, work, and visit. And, delivering quality public services requires the City to build and retain a strong, diverse, and talented workforce. On the other hand, the City faces real fiscal challenges in building that strong workforce. Due to its lower tax base, the City cannot simply match or exceed the compensation offered by wealthier neighboring jurisdictions. And, it cannot simply add new full-time equivalent (FTE) positions to the budget to combat every new problem that is encountered. Both of those approaches increase costs and exacerbate the City's already tenuous fiscal position.

To resolve this tension, **the City must aim to have a leaner, more efficient, yet better-paid workforce.** While this goal cannot be achieved overnight, the City can work towards it as part of its long-term financial plan. Achieving this objective requires a two-pronged strategy: **optimizing service delivery and maximizing compensation.** To **optimize service delivery** the City must innovate to become a more efficient and productive government. Achieving this goal will require considering a variety of approaches — such as using new technologies, redesigning outdated service delivery models, and forging stronger partnerships with the private sector — all while striving to provide the best possible services at the lowest cost. Pursuing this strategy may be uncomfortable, as it will require the City to abandon long-held policies and embrace more aggressive experimentation with emerging technologies and best practices.

To **maximize compensation** for employees the City must target investments to the elements of compensation most crucial to employee recruitment and retention. Traditionally, this has meant directing a greater share of compensation dollars towards cash compensation while ensuring that health, retirement, and paid leave benefits remain competitive yet affordable for the City. However, the post-COVID-19 workplace requires the City to place greater emphasis on other factors. Employees now report that workplace culture, working conditions, and work-life balance are just as important — if not more important — than cash compensation in their decision-making process.

• **Benchmarking**

To identify opportunities for improvement, the City benchmarked its current practices against those of Maryland and national peers. This exercise highlights areas where the City can gain an edge in both optimizing service delivery and maximizing compensation.

Optimize

Service Delivery

The City has several opportunities to achieve the goal of a leaner and more efficient workforce while enhancing service delivery, reducing costs, and generating additional revenue. Based on a peer review, the following opportunities were identified:

• **The Fire Suppression schedule**

is unconventional, requiring employees to work two 24-hour shifts in a three-day window before receiving five straight days off. More common 24-hour schedules both regionally and nationwide, such as 24-on 48-off or 24-on 72-

off, allow for longer recovery times between shifts, potentially improving employee well-being and reducing burnout.

• **Public Safety civilianization**

has begun in the Police Department, but additional opportunities are available in the Fire Department. Functions such as inspections and facilities management, currently staffed by sworn personnel, could be reassigned to civilians, as in several peer jurisdictions.

• **Solid Waste workers**

operate on a task-based system under the City's labor agreement with AFSCME Local 44, in which they are relieved of duty at the end of their route or task. This practice, uncommon among peers, leads to overtime payments for work completed within the standard 40-hour week and incentives rapid completion of routes, which could result in unsafe work practices.

• **Parking enforcement**

differs from peers with the City combining enforcement and traffic control duties in one role, reducing the dedicated time needed for parking enforcement and resulting in

inconsistent enforcement. In addition, the schedule does not align with peak parking demand times, especially during weekend and overnight hours.

• **Parking and traffic technology**

use lags peers, specifically license-plate reader (LPR) technology and cameras. LPR usage could expand from identifying vehicles with outstanding tickets to regular parking enforcement. In addition, the City could expand traffic camera use, beyond speed limit enforcement and red-light violations, to monitor bike lanes and bus lanes or to enforce street sweeping hours as other peer cities have implemented.

• **Artificial Intelligence (AI)**

presents an opportunity for the City to increase efficiency for regular tasks. Other governments have begun implementing AI for a variety of services, including resident communication, permit review, procurement, and fraud detection, among many others.

• **Incentive and competition models**

encourage innovation, improve service delivery, and lower costs.

The City could expand a prior gain-sharing program in Fleet Management, where employees shared in cost savings resulting from process improvements. In addition, peers have experimented with managed competition programs, where agencies directly compete with private vendors to provide quality service at the best rate.

• **Service delivery redesign**

could streamline process or better align organizational structures based on structures in peer cities. For example, illegal dumping response and vacant lot mowing services include processes managed by two different agencies, diluting accountability and weakening customer responsiveness. In addition, some services or agencies could be consolidated or split to improve service delivery. For example, the Department of Public Works oversees two radically different functions: water and wastewater management, as well as trash collection and solid waste-management.

Maximize Compensation

As part of **Change to Grow**, the City successfully rebalanced its overall compensation package, redirecting savings from benefits to cash compensation. **Change to Grow** found that Baltimore's health, retirement, and paid leave benefits were generous while salaries were low relative to other large public employers in Maryland. As a result, the City reformed active health benefit plans, retiree benefit plans, the civilian pension system, and paid leave benefits. Savings from these reforms were redirected to targeted salary increases for Managerial and Professional Society (MAPS) employees (Fiscal 2014), Fire (Fiscal 2014), and Police (Fiscal 2015–16). Additionally, the City implemented steady cost-of-living adjustments for all City employees from Fiscal 2014 to Fiscal 2019.

Despite this progress, the economic disruption caused by the COVID-19 pandemic in Fiscal 2020 altered the labor market and led to upward pressure on compensation. To better understand the current competitive environment for pay and benefits, the City conducted a comprehensive benchmarking study comparing

its compensation with the largest Maryland counties as well as peer jurisdictions in other states. Among the findings of the peer review:

- **Civilian salaries** for front-line AFSCME and City Union of Baltimore (CUB) positions are well below peer averages and tend to fall further behind at mid-career and late-career stages.
- **Public safety salaries** are competitive in the early years of the salary scale but lag behind peers at mid-career and late-career stages.
- **Active health benefit plans** are more generous than many peer jurisdictions, giving the City an opportunity to refine spousal subsidies, adjust premium co-shares between the City and employees, and refine co-pays for common services.
- **Retiree health benefit plans** are more generous than peers for pre-Medicare retirees (pre-65) but less generous for Medicare retirees (65 and older). Overall, retiree benefits are seen as much less likely to influence employee hiring and retention efforts.
- **Civilian pension plans** are competitive with peers while limiting the City's long-term pension liabilities. Baltimore stands out by offering a "hybrid" option which pairs the advantages of both a traditional pension with a 401(k) style contributory component. The City is also the only regional government that matches a portion of its employees' contributions.
- **Sworn pension plans** are competitive with peers for the retirement benefit, but the City's longer years-of-service requirement (25 years) exceeds that of Anne Arundel, Montgomery, and Prince George's counties (20 years).
- **Annual vacation leave accruals** are like those of peer jurisdictions, with most offering new hires a range of 10-15 days of annual leave and then increasing annual accruals with additional years of service.
 - **Annual sick leave accruals** are like those of peer jurisdictions with one exception – the City's generous sick leave allowance for Fire bargaining unit members. Fire members can use up to six months of sick leave for each non-line-of-

duty illness or injury, which is a clear outlier compared to peers with set annual accruals of sick leave.

- **Separation vacation leave payouts** align with peer jurisdictions, but the City has an opportunity to experiment with providing annual leave payouts rather than waiting until separation as a way to boost cash compensation.
- **Separation sick leave payouts** are like those of peer jurisdictions, with most offering either partial or full cash-out. For civilian employees, the City offers an annual cash out of one day of pay for every four days of unused sick leave. Upon separation, employees who have completed at least twenty years of service can also cash out one day of pay for every four days of accumulated sick leave.
- **Compensatory time** policies are like those of peer jurisdictions, with many Fair Labor Standards Act (FLSA)-exempt employees being eligible to earn compensatory time for hours worked beyond a standard workweek.

Initiatives

Delivering quality City services will require the City to maintain a leaner, more efficient, yet better-paid workforce. Achieving this goal will necessitate a balanced approach — pursuing opportunities to improve compensation while simultaneously streamlining and optimizing service delivery. The 10-Year Financial Plan outlines a multi-dimensional strategy to enhance the City's core service delivery while delivering both cost savings and additional revenues for the City's coffers.

We will work with our managers and municipal unions to rebalance our compensation package with an eye towards a more competitive and modern salary structure.

The 10-Year Financial Plan includes the following actions:

- Implement a more aggressive pay scale for AFSCME and CUB employees. The new scale, with twenty total steps spaced 18 months apart, will enhance mid and late-career pay competitiveness compared to peer employers.
- Restore the employer and employee shares of the City's healthcare plan premiums back to 80% / 20% for PPO plans and 90% / 10% for HMO plans, as originally envisioned in the Fiscal 2013 healthcare reforms.
- Re-evaluate the employer share of health and prescription drug premiums for pre-Medicare retirees. Although retired from City service, this cohort is still of working age and often has access to health coverage through other employment.
- Experiment with a spousal subsidy policy that would encourage employees' spouses to seek health care coverage through their own employer, if available. This policy can be structured to protect employees who are the sole income earners for their family, ensuring that family healthcare coverage remains unaffected.
- Reform the City's plan design around co-pays for doctor's visits and prescription drugs, which tend to be lower than peer employers' plans and puts an undue burden for health care cost inflation on the City.
- Modernize the compensation package for MAPS employees to better retain and attract top professionals for City leadership positions.

We will modernize our leave practices to stay competitive with our peers and to foster a family-friendly work environment.

The 10-Year Financial Plan includes the following actions:

- Explore a vacation buyback program for sworn Fire and Police officers. This policy will give employees the option to convert some leave into cash, helping reduce the City's long-term liability for growing leave costs.
- Join the State's Family and Medical Leave Insurance (FAMLI) program, or another similar plan sponsored by Maryland Association of Counties (MACo), to comply with a new State law requiring paid family leave for certain eligible events, such as the birth of a child or family illness. This will enhance the City's current policy and provide a minimum of 12 weeks of paid leave at \$1,000 per week, with the option to use City leave to expand the benefit.

We will continue to modernize our public safety agencies, with a renewed focus on improving the Fire Department.

The 10-Year Financial Plan includes the following actions:

- Update the City's EMS fee schedule to ensure maximum reimbursement from government and private insurers.
- Seek tighter sick leave policies during the next round of collective bargaining. Current sick leave rules, which allow for up to six months of leave for each non-line-of-duty injury or illness, contribute to staffing shortages and are an outlier when compared to regional peers.
- Re-evaluate the current Fire Suppression and Police Patrol schedule and explore transitioning to a model that provides additional rest and recovery time between each shift.
- Continue the civilianization effort currently underway in the Police Department and begin a similar effort in the Fire Department. Utilizing civilian employees for inspections, facilities, and other administrative functions allows sworn personnel to be deployed back to core functions such as Fire Suppression, EMS, Police Patrol, and Investigations.
- Develop and implement a comprehensive policy for seeking and receiving full reimbursement from special events that utilize City public safety resources.

We will leverage technology and best practices to modernize our parking enforcement and traffic control functions.

The 10-Year Financial Plan includes the following actions:

- Seek State legislation to add late penalties to traffic camera violations and implement newly-available authority to introduce tiers to speed camera violations based on the severity of the violation.
- Pilot the use of LPR technology to enforce both Residential Permit Parking (RPP) regulations and multi-space parking meters. LPR technology will improve the efficiency of enforcement officers, enable more consistent enforcement, and improve satisfaction among residents and businesses.
- Eliminate the practice of sworn public safety officers signing off on all traffic camera citations. Improvements in technology have made this requirement redundant and assigning civilian staff frees sworn personnel for more critical public safety duties.
- Evaluate the splitting of traffic control and parking enforcement duties into two separate teams, which would provide broader round-the-clock enforcement coverage and better align with peak parking demand times.
- Seek State legislation to allow the City to issue parking citations by mail. This improvement, paired with the use of LPR technology, will fully automate the parking enforcement process, leading to greater safety for enforcement officers and reducing conflicts with residents.
- Experiment with expanding the City's traffic camera program to enforce bus lanes, stop signs, and street sweeping hours. These methods will improve compliance with existing laws and generate additional revenue for the City's General Fund.
- Explore entering into reciprocity agreements with neighboring states to better enforce collections on violations from out-of-state drivers.
- Seek State legislation to shift the adjudication of parking fines from the State court system to a local authority.

We will utilize proceeds from the opioids legal settlement to create programs that begin to remediate the harm caused by the crisis.

The 10-Year Financial Plan includes the following actions:

- Per the approach outlined in the Mayor's Executive Order, create a Trust Fund from settlement monies with investment earnings used to fund a 15-year remediation program.
- Implement a 911 diversion program where non-life-threatening 911 calls are referred to a nurse navigator, who will assess symptoms and arrange for appropriate care. This program will enable EMS to prioritize the most critical medical emergencies and improve overall ambulance response times.
- Continue funding for private basic-life-support (BLS) ambulances to support City units during peak demand hours.

We will take aggressive steps to modernize City services and utilize emerging technologies to improve the efficiency and effectiveness of government services.

The 10-Year Financial Plan includes the following actions:

- Recapitalize the City's Innovation Fund with an additional \$10 million of funding, which can be loaned to City agencies that require up-front investments to implement initiatives in the 10-Year Financial Plan.
- Form a cross-functional team, led by the City's Information Technology experts, to identify and pilot appropriate uses for AI.
- Explore the use of drones as a more cost-effective option for replacing or supplementing the City's aging helicopter fleet, or to assist in other public safety duties and City services.
- Implement the recommendations from the City's Procurement Transformation Plan with a goal of dramatically streamlining the City's process.
- Implement the BMORE FAST (Facilitating Approvals and Streamlining Timelines) program with a goal of modernizing and streamlining the City's permitting, development, and approval processes.

We will leverage market-competitive forces to further improve City services.

The 10-Year Financial Plan includes the following actions:

- Expand the City's gainsharing program, which was successfully piloted in the Department of General Services' Fleet Management Division, to encourage "bottom-up" employee creativity in reducing costs and improving performance.
- Pilot a managed competition program in which a City agency competes with private providers to determine who can better deliver services at the lowest possible cost.
- Develop a tool for agencies to evaluate the full cost of delivering a service with City resources versus using an external contractor. This tool will evaluate key services, such as towing, mowing, and milling and paving, to ensure that the City is choosing the most cost-effective approach.

We will strengthen our oversight of City agencies with a focus on rooting out inefficiencies and delivering the best service at the lowest possible cost to the taxpayer.

The 10-Year Financial Plan includes the following actions:

- Work with the Comptroller's Telecommunications Team to phase out unnecessary phone and fax lines, reflecting a shift to more modern communication tools, such as cloud-based phone systems.
- Undertake an audit of the agencies with the highest spending on overtime — including Police, Fire, Public Works, and Transportation — to identify and eliminate inefficiencies or abuse.
- Conduct staffing studies for key services to ensure that the budget aligns resources with operational needs.
- Develop a policy for City drivers with repeat offenses for reckless and dangerous driving, with a goal of reducing City vehicle maintenance costs and lengthening the useful life of City vehicles.
- Develop a City-wide cost allocation plan, to ensure that the City takes full advantage of administrative allowances on Federal, State, and private grants.

We will re-examine the structure and governance of City functions, targeting opportunities to make City agencies more responsive to customer needs.

The 10-Year Financial Plan includes the following actions:

- Building off the work of the Baltimore Regional Water Governance Task Force, continue to explore alternative utility service models including the potential for a regional Water and Wastewater Authority.
- Split the current Department of Public Works into two entities — Water and Wastewater, and Solid Waste and Environmental Services — to better focus each agency
- Explore the consolidation of the 311 and 911 call centers to create efficiencies in training and better back-up capability for times of staffing shortages.
- Develop a shared service model in which one resource for key administrative functions — such as human resources, accounting, and budgeting — is shared among multiple small agencies, with the goal of reducing City overhead costs.

The sum of these Core Service Delivery initiatives will help the City achieve its goal of having a smaller, more-efficient, and better-paid workforce, while generating \$346.7 million of additional General Fund savings or revenues over a 10-year period. Proceeds will be allocated for general budget balancing, infrastructure investment, or reserved for other future strategic investments.

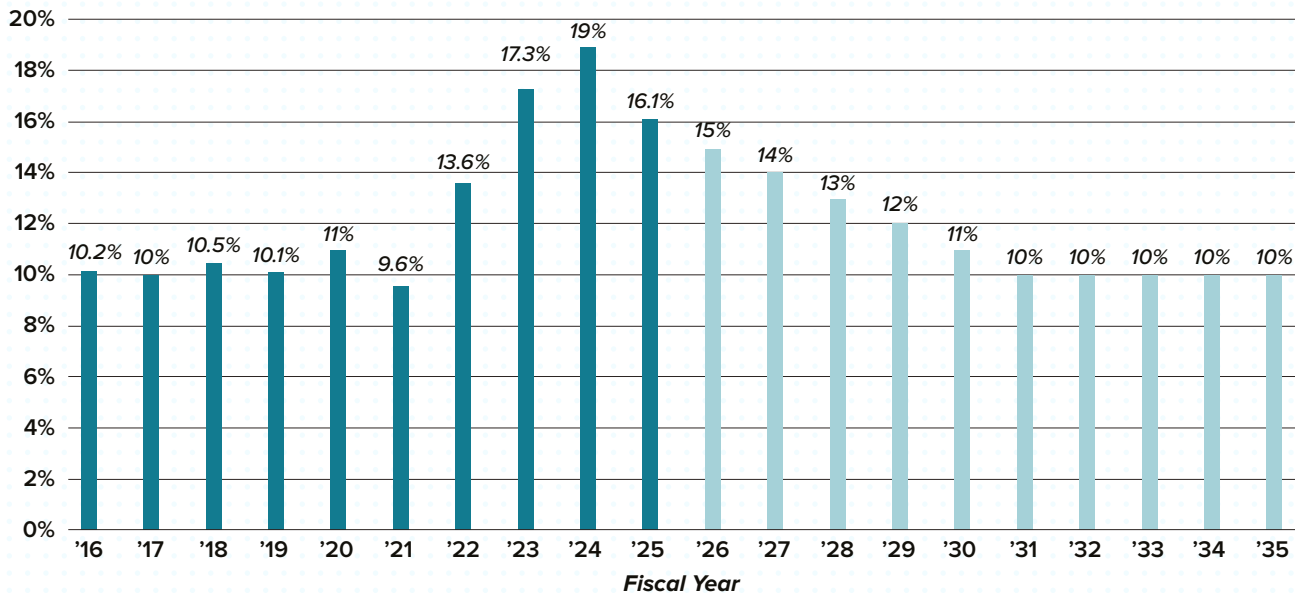
Core Service Delivery Initiatives (\$ in millions)

FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	Total
(\$2.6)	(\$11.6)	\$20.1	\$39.6	\$44.2	\$47.4	\$50.1	\$51.6	\$53.1	\$54.7	\$346.7

Measures of Success

General Fund Vacancy Rate

Target: 10% vacancy rate or below by Fiscal 2031



Definition: The General Fund vacancy rate measures the share of budgeted General Fund positions that are unfilled at a given time. It is a key indicator of the City's ability to attract and retain personnel, which directly affects service delivery. Lower vacancy rates also help control costs by reducing the need for overtime or contractual services to cover unfilled positions.

History: Baltimore experienced a severe workforce disruption following the COVID-19 pandemic. A tight labor market pushed the General Fund vacancy rate to 19% in Fiscal 2024, leaving many critical positions unfilled. Over the past two fiscal years, however, hiring and retention have improved — particularly in large agencies such as Fire and Public Works. The Police Department continues to face elevated vacancies, reflecting a national trend of accelerating retirements and a highly competitive market for new hires. In addition, compensation offered by surrounding jurisdictions and private industry increased at a rate faster than the City's due to budget challenges from education investments, impacting the City's ability to compete to retain and attract employees.

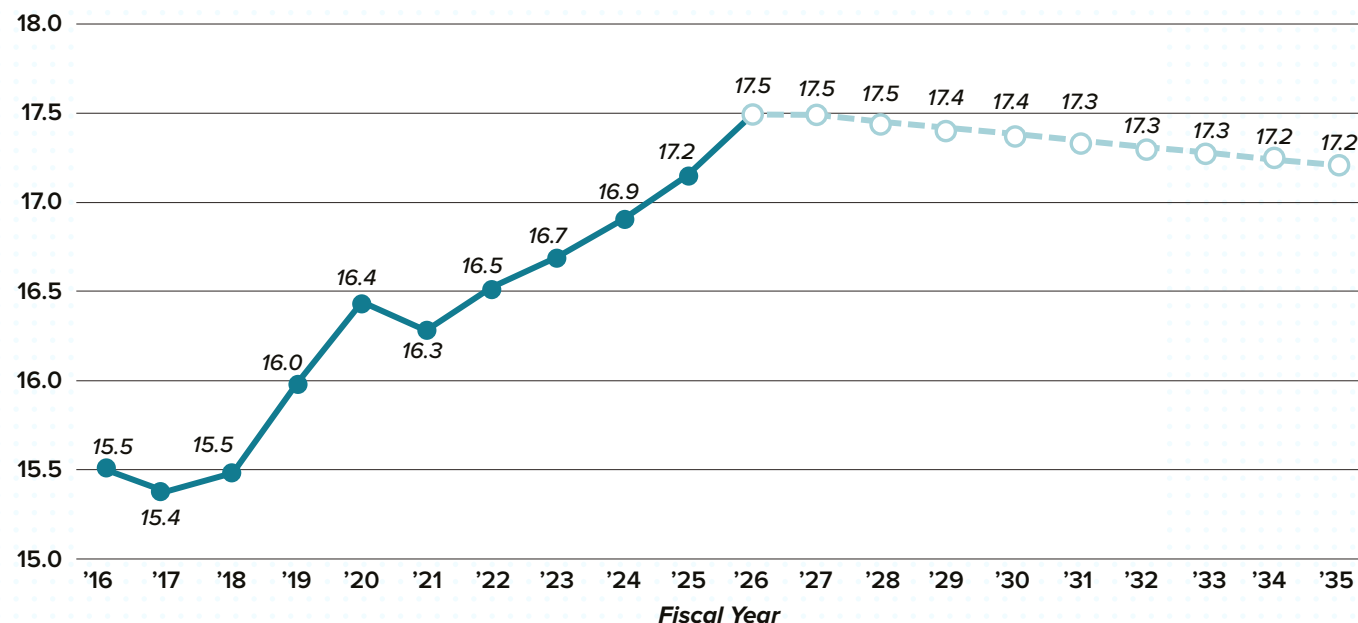
Strategy: Securing Baltimore's Future calls for rebalancing the City's compensation structure by prioritizing salary improvements while right-sizing employee benefits. These adjustments are designed to make City employment more competitive and reduce turnover. At the same time, the 10-Year Financial Plan envisions a leaner, more efficient workforce by adopting best practices and leveraging emerging technologies. This approach will reduce the overall number of positions required and ease pressure on hiring.

Definition: General Fund positions represent the number of full-time positions budgeted each year to deliver City services. Expressing this measure relative to population provides a normalized indicator of staffing needs over time, accounting for shifts in service demand. It serves as a broad measure of the City's overall efficiency.

History: Initiatives from the prior 10-Year Financial Plan improved this metric in the early 2010s, aided by reforms such as the transition to a 24-hour Fire Suppression schedule and the deployment of outdoor cleaning vehicles in business districts. However, between Fiscal 2017 and Fiscal 2026, the trend reversed as the City added new positions while population declined.

General Fund Positions per 1,000 Residents

Target: 17.2 positions per 1,000 residents or below by Fiscal 2035



Strategy: *Securing Baltimore's Future* calls for building a leaner, more efficient, but better-compensated workforce. Initiatives such as use of LPR technology for parking enforcement, deployment of AI tools, and use of unmanned vehicles are expected to reduce staffing needs while maintaining and even improving service delivery. The City's goal is to reverse recent trends and reduce staffing levels through the phased elimination and consolidation of positions over the 10-year period.



Cornerstone #2

Infrastructure Investment





Cornerstone #2

Infrastructure Investment

A strong built environment is the backbone of any growing city. From safe roads and reliable transit to quality schools, parks, and public spaces, infrastructure investments directly influence whether families and businesses choose to stay and grow in the City. Over the next decade, the Plan emphasizes investments that will address aging infrastructure while positioning the City for future development and driving economic development across the community.

Measures of Success

\$ 250M
Annual General
Fund-Supported
Capital Investment

Key Strategies

Increase Funding

- Increase City funding for capital projects to address aging infrastructure
- Seek long-term State funding for transportation related projects

Prioritize Investments

- Use creative tools and processes to address vacant properties across the City
- Right-size the City's building portfolio to direct funds to critical assets and buildings
- Review and streamline the process to deliver projects more effectively and timely

\$212.0M Costs

Initiative Categories

- City Investment
- State Investment
- Rightsizing
- Economic Development
- Vacants Remediation

Findings

In recent years, Baltimore made significant progress in tackling some of its most pressing infrastructure challenges. Continuing this progress will require both new partnerships and increased funding in the decade ahead.

Funding for the capital budget, which supports infrastructure projects, comes from both local and external sources. Locally, the City allocates a portion of current General Fund revenues to capital projects (PAYGO) and issues General Obligation (GO) Bonds, which are repaid through the operating budget as debt service. Externally, the City leverages State and federal

resources, such as State Highway User Revenues (HUR) and Federal Highway Funds, to supplement local investments. The ongoing challenge is balancing the use of local resources while avoiding excessive reliance on debt.

Change to Grow, released in 2013, called on the City to increase and target its infrastructure investment dollars on improving school buildings while utilizing private sector partnerships to add or upgrade economic development assets. That strategy yielded some significant results:

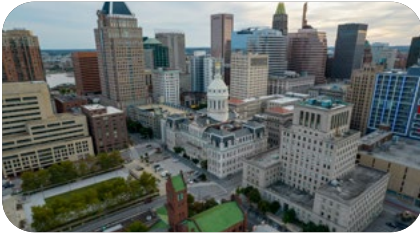
- As part of the 21st Century Schools initiative, the City dedicated all beverage container tax revenue and a portion of its casino revenues to a

\$1.1 billion program to build new or renovate existing school buildings across the city. By the end of 2024, 27 newly built or renovated schools have opened with an additional two schools still under construction. The City is also a contributor to the Built to Learn program which added an additional \$420 million of funding to renovate five City high schools.

- In 2014, the Horseshoe Casino opened in South Baltimore. The facility is a two-story casino featuring video lottery terminals, table games, and an expansive marketplace with several restaurants, bars, and lounges.

- In 2023, the renovated and renamed CFG Bank Arena opened in downtown Baltimore. The \$250 million project was the result of a partnership between the City and Oak View Group which led to the renovation of the arena, including new concourses, suites, concessions, and a glass exterior.
- In 2024, voters authorized the City to increase General Obligation bonds from \$80 million to \$125 million per year for Fiscal 2026 and 2027. Proceeds from the bonds must be used for affordable housing, schools, public infrastructure, and community and economic development in accordance with the loan authorization approved by voters.

Despite this progress, too many of the City's most basic assets — such as roads, sidewalks, recreation centers, fire stations, and other public facilities — remain in sub-standard condition. The poor state of these assets erodes the quality of public services, adds unnecessary energy and maintenance costs to the City's budget, and increases the risk of a costly infrastructure failure. Deferring maintenance on these assets is no longer an option. Some current examples illustrate the urgent need across a wide range of City assets:



City's Downtown Campus: Comprising 11 buildings that house the City's civilian workforce, Police headquarters, and court services, this campus is deteriorating rapidly, with an average building age of 74 years. A recent analysis estimates that over \$700 million of capital investment is needed for these buildings over the next ten years.



Sidewalks, Curbs, and Crosswalks: The City recently reached a short-term settlement to invest \$44 million to begin remediating sidewalks, curbs, and crosswalks that are not compliant with the Americans with Disability Act (ADA). A 2021 Department of Transportation study estimated a total cost of over \$650 million to make the pedestrian system ADA-compliant.



Harborplace: Once the vibrant heart of the City's downtown, the shopping and dining complex on the Inner Harbor is now mostly vacant and in a state of disrepair. An ambitious redevelopment plan was approved in 2024 but will require an estimated \$400 million of public funds.



Baltimore Convention Center: Last renovated in 1997, the Convention Center needs significant repairs to remain competitive with more modern facilities. A task force created by the Maryland General Assembly estimates that a full renovation could cost between \$700 million to \$1 billion.



Bridges: Of the City's 305 bridges, 30 score below a level of 50 on the Bridge Sufficiency Index, which is used by the Federal Highway Administration to identify bridges in need of serious repair or replacement. One bridge alone, the Hanover Street Bridge in South Baltimore, could cost over \$150 million to fully replace and reconstruct.



City Schools: Despite the significant infusion of Capital funding through 21st Century Schools and Built to Learn, ongoing funding still falls well short of the need. According to a recent City Schools estimate, over \$500 million of annual funding would be needed to improve assets to a state of good repair.

In addition to the projects listed above, other major infrastructure projects — such as the Red Line, the Francis Scott Key bridge, and the Penn Station redevelopment, will require significant funding from federal and State resources. These projects will also require extensive coordination from the City to ensure their successful completion.

Funding History

Baltimore's infrastructure under-investment is the result of both local budget constraints and a decline in State support.

Maryland's State HUR funds, funded by the gas tax and other vehicle-related revenues, are shared with local jurisdictions to support road maintenance, bridge repair, and other transportation projects. In Fiscal 2010, however, the State redirected some

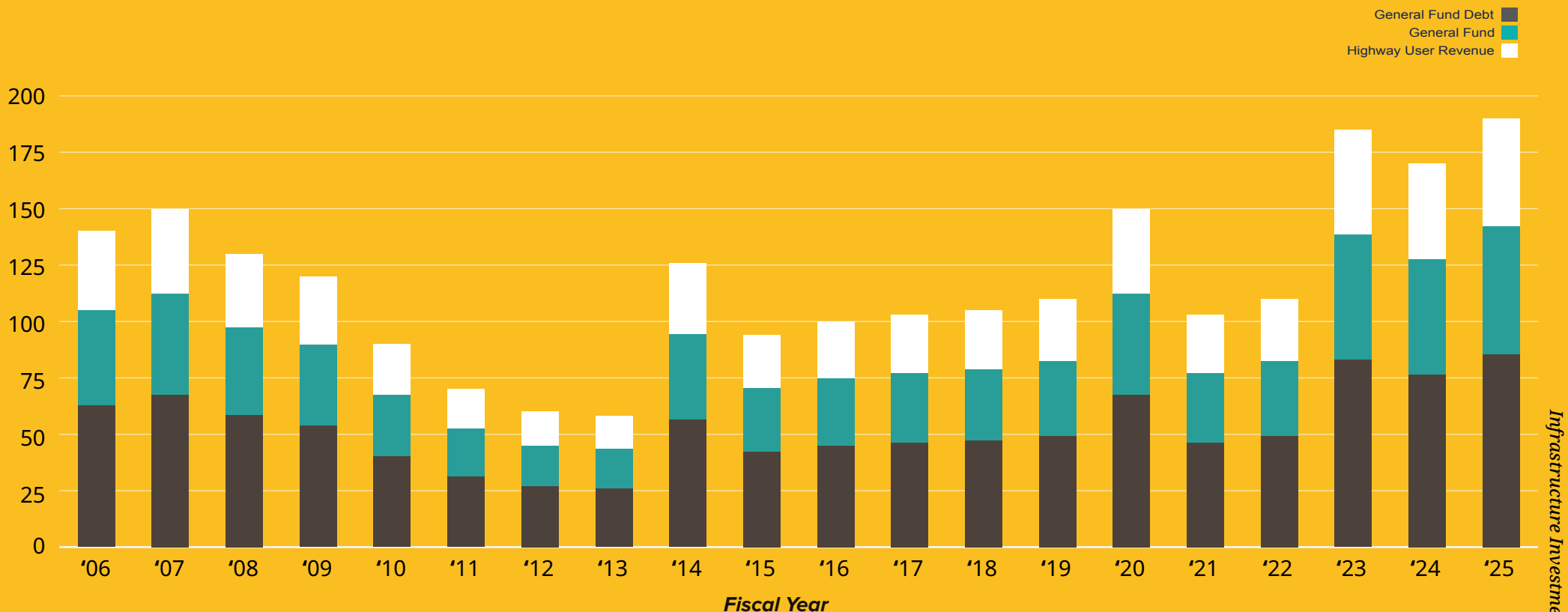
HUR to balance its budget following the Great Recession, causing a dramatic reduction in Baltimore's transportation funding. From Fiscal 2006 to Fiscal 2009, the City received \$247 million in HUR; in the fifteen years since, it has received only \$132.5 million. Effectively, Baltimore lost nearly \$1 billion in potential State transportation investment over the past decade and a half.

This loss shifted the burden to the City, straining both its fiscal capacity

and its physical assets. To offset the decline, the City leveraged \$15 million annually through the State's County Transportation Bond program from Fiscal 2015 to Fiscal 2023, while increasing its annual GO Bond borrowing to \$65 million in Fiscal 2016 and again to \$80 million in Fiscal 2020. The City also directed one-time General Fund resources to capital projects in Fiscal 2014, Fiscal 2020, and Fiscal 2023. While these measures mitigated the impact on the capital budget, they shifted more responsibility onto City-

supported funds, limiting resources available for non-transportation priorities. As a result of the loss of State funding, the City fell short of the \$200 million annual investment goal that was set in **Change to Grow**:

Infrastructure Investment Has Consistently Fallen Short of \$200 Million Goal (\$ in millions)



Future Opportunities

Recent federal and State legislation had provided opportunities for the City to achieve a boost in infrastructure. However, challenging fiscal and political environments in both Annapolis and Washington D.C. have narrowed the possibilities. The City's most likely path to additional infrastructure funding is partnering with the State while increasing its own commitment.

At the federal level, the American Rescue Plan Act (ARPA) provided a one-time inflow of \$641 million to the City,

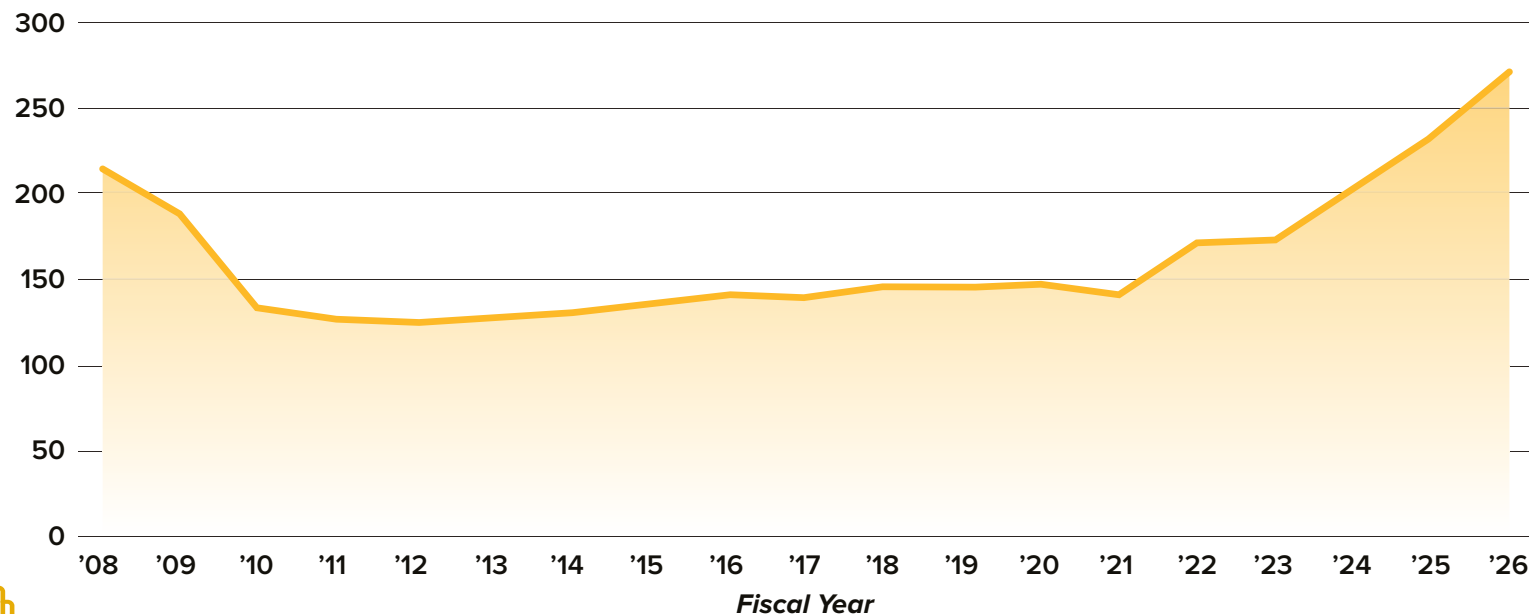
and over half of the funds were used for infrastructure projects. The investments covered a wide array of assets - libraries, sidewalks, vehicles, Fire stations, homeless shelters, recreation centers, parks, pools, and many more. With ARPA funding set to expire in December 2026, the City had turned its attention to funding opportunities via the Infrastructure Investment and Jobs Act (IIJA) and Inflation Reduction Act (IRA). However, the passage of the Big Beautiful Bill in 2025, which scaled back many of the clean energy provisions in the IRA, will limit the City's ability to

utilize those subsidies for clean energy and other green investments.

At the State level, the City will need to protect recent gains to its share of HUR funding. Maryland House Bill 1187, passed in 2022, increased the City's share of HUR funds between Fiscal 2024 and Fiscal 2027, adding over \$300 million of additional infrastructure investment to Baltimore for that four-year period and partially reversing the cuts made during the Great Recession. Unfortunately, those gains might prove to be short-lived. Facing a structural deficit in the State Transportation Trust

Fund, the Maryland Department of Transportation proposed significant cuts to local government distributions in the Fiscal 2025 and Fiscal 2026 budgets. Only the Governor's one-time infusion of \$150 million from the State's General Fund preserved the City's share momentarily in Fiscal 2026, setting the stage for a longer-term battle over transportation funding in the 2026 General Assembly session and beyond.

Locally, the City is set to receive a final FEMA reimbursement for eligible COVID-19 expenses incurred between 2020 and 2022, which could be used to boost infrastructure spending in the short-term. However, in the longer-term, the City will need to both reduce its building footprint and identify dedicated funding sources to support debt service expenses for the higher levels of annual borrowing necessary to bring its assets up to a state of good repair.



City Must Protect Recent Gains in Highway User Revenues Which Expire in Fiscal 2027

(\$ in millions)



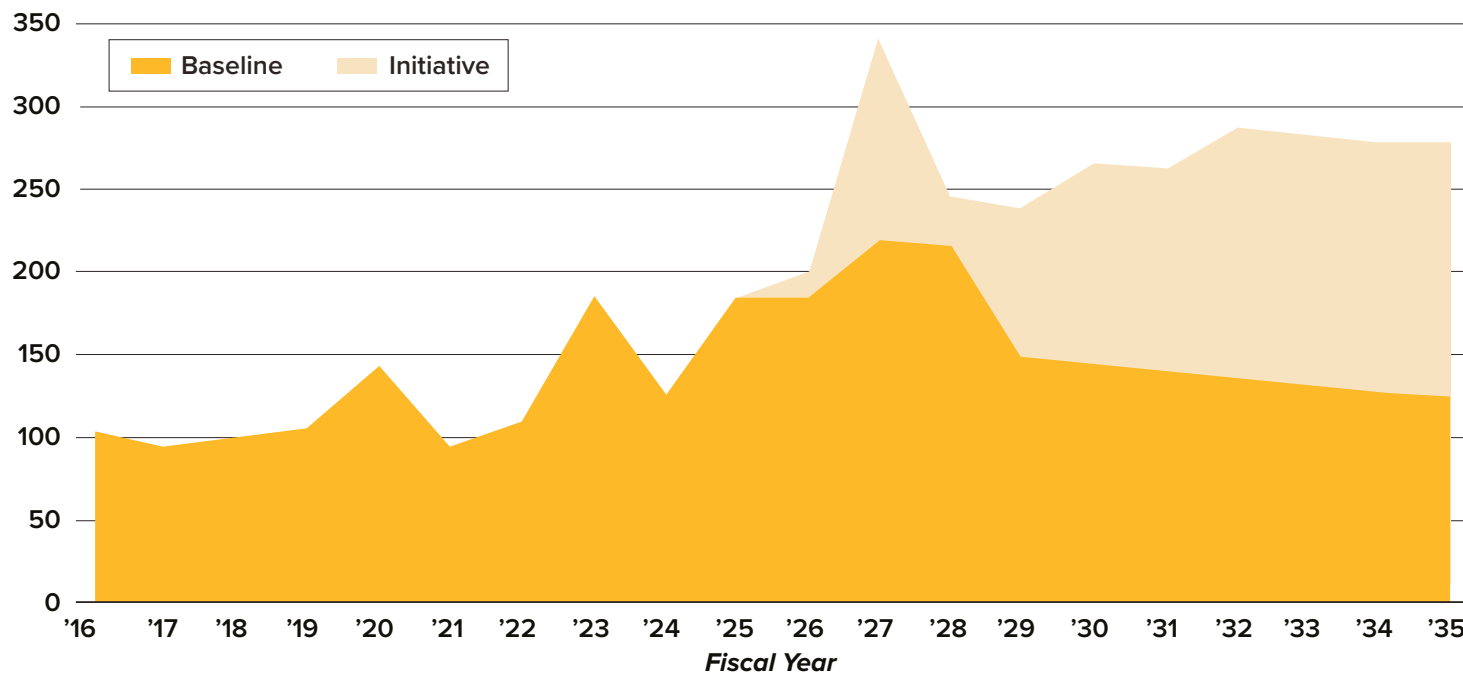
Initiatives

To grow the City, we must dramatically increase our infrastructure investment by leveraging both local resources and State and federal programs. Modernizing our built environment will improve the quality of service delivery, reduce City operating costs, and send a powerful message of progress to both residents and visitors: These investments present an opportunity for local economic stimulus through increased jobs and funding to local residents and businesses, as well as community focused development.. The 10-Year Financial Plan outlines strategies to boost short-term investments, sustain a longer-term commitment to infrastructure investment, and address some of the City's most pressing infrastructure challenges in transportation, economic development, and vacant building remediation.

We will take immediate steps to ramp up infrastructure spending while planning for a longer-term sustained investment.

The 10-Year Financial Plan includes the following actions:

- Direct the final FEMA reimbursement for COVID-19 expenses, estimated at \$86.7 million, as PAYGO Capital in the Fiscal 2026 and 2027 budget. These funds will be directed to the most critical needs and serve to kick-start a “catch-up” investment to address deferred maintenance.
- Increase the City’s General Obligation Bond authority from \$80 million to \$125 million for both Fiscal 2026 and 2027. The increase can be funded by shifting some current PAYGO Capital dollars to debt service, which better leverages existing revenues without compromising the City’s conservative approach to debt management.
- Dedicate new 10-Year Financial Plan revenues to support debt service for a phased-in increase of the City’s General Obligation (GO) Bond borrowing. The City will aim to raise \$200 million annually by Fiscal 2034 with a quarter of the resourced dedicated to City Schools investments.
- Accelerate capital project delivery by piloting a public-private partnership (P3) approach for a large-scale infrastructure project.
- Seek State legislation in Fiscal 2028 to maintain the City’s share of HUR at 12.2%, rather than reverting to 9.5% as currently scheduled under State law. Maintaining a higher share would add a substantial recurring funding source for transportation investment and further ease pressure on the City’s own borrowing capacity.



The sum of these key initiatives alone would add \$1.3 billion of additional infrastructure spending above baseline over the 10-year period and effectively double the City’s annual investment.

Initiatives Would Add Over \$1.3 Billion of Additional Infrastructure Investment over the Next Decade

(in \$ millions)

We will right-size the City's footprint to ensure that scarce resources are directed only to the most critical City assets and buildings.

The 10-Year Financial Plan includes the following actions:

- Optimize the City's real estate portfolio by balancing the mix of City-owned facilities and private leases, consolidating underutilized properties, and reducing costs.
- Develop Request for Proposals (RFPs) for the sale of two properties — the Key Highway Fire Supply building and the 29th Street Police administrative building — whose functions can be moved to other locations while freeing up the sites for new private development.
- Right-size Recreation and Parks' building portfolio with fewer but better facilities, while shifting operating resources towards preventive maintenance.
- Review the operation of each of the City's sports and outdoor facilities to ensure that they are optimizing revenue while remaining accessible to all City residents.

We will use creative financing tools to solve two of the City's most pressing infrastructure challenges: the modernization of the convention center and the remediation of vacant properties.

The 10-Year Financial Plan includes the following actions:

- Working through guidance from the General Assembly's dedicated task force for the Convention Center, the City will seek State authority for a new regional revenue source with proceeds dedicated to Convention Center modernization.
- Issue the first tranche of non-contiguous Tax Increment Financing (TIF) bonds, with the proceeds allocated to public infrastructure and hard construction costs to restore vacant buildings. Additional tranches may be issued if sufficient property tax revenues are realized from the first phase.
- Implement a higher tax rate on vacant parcels using newly granted taxing authority. This model incentivizes owners of vacant parcels to either divest the property or invest in improvements.

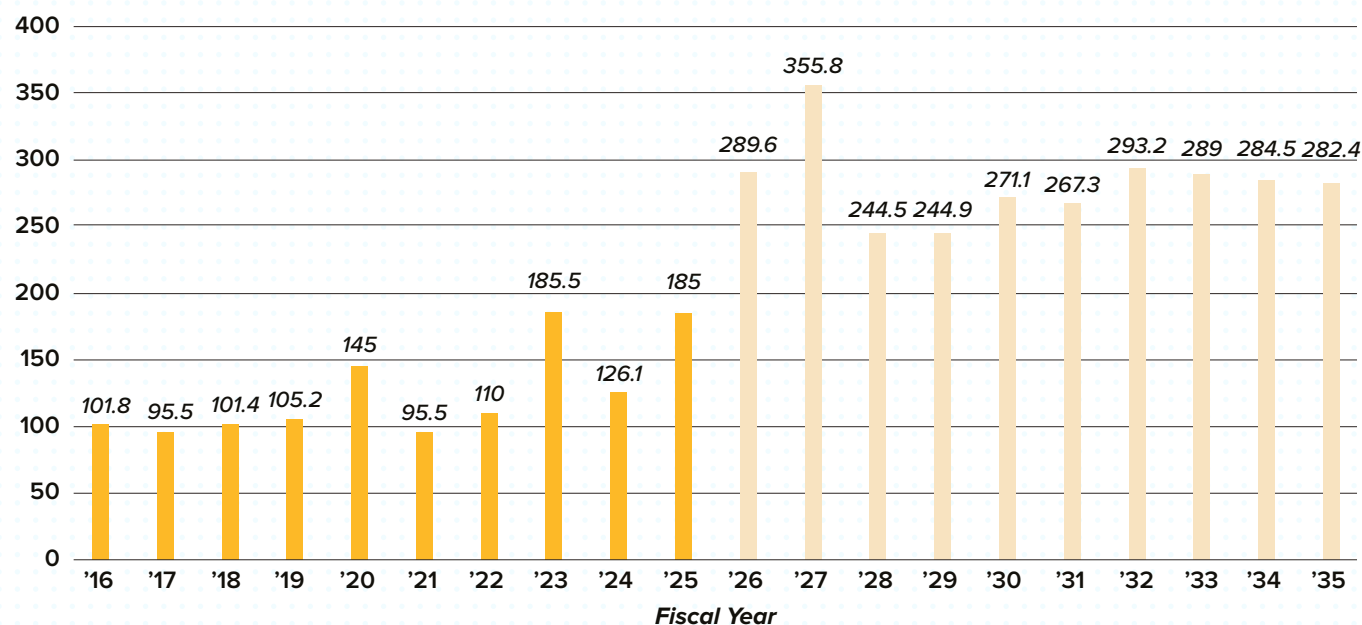
Infrastructure Investment Initiatives (\$ in millions)

FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	Total
(\$2.0)	\$9.7	\$6.2	\$4.4	(\$4.1)	(\$6.1)	(\$12.5)	(\$18.8)	(\$24.7)	(\$32.2)	(\$80.1)

Measures of Success

General Fund -Supported Capital Investment

Target: \$250 million or greater annually



Definition: General Fund-supported capital investment tracks City spending on core infrastructure needs. It includes direct City cash resources (General Fund PAYGO), borrowed funds (General Obligation bonds), and State contributions to City infrastructure through Highway User Revenue (HUR) PAYGO.

History: *Change to Grow*, the prior 10-Year Financial Plan, estimated that an annual investment of \$200 million from General Fund sources was required to maintain City infrastructure in a state of good repair. However, fiscal constraints following the Great Recession, combined with a reduction in State transportation funding, left the City unable to meet that target over the past decade. Recent partial restoration of HUR revenues, along with a growing commitment to capital planning, has begun to close this gap, but investment levels remain below long-term needs.

Strategy: *Securing Baltimore's Future* outlines three strategies for increasing Capital investment: preserving the City's higher share of State HUR revenues, phasing in higher annual General Obligation bond borrowing, and dedicating one-time resources to capital projects rather than ongoing operations. Together, these actions are expected to strengthen the City's ability to maintain and modernize core infrastructure.



\$ Cornerstone #3

Tax Competitiveness



\$ Cornerstone #3

Tax Competitiveness

Property tax rates play a major role in where families and businesses decide to locate. Today, the City's higher property tax rate creates a competitive disadvantage compared to neighboring jurisdictions. By steadily reducing this burden, while at the same time broadening and diversifying the City's tax base, the Plan seeks to make the City more affordable for current residents and more attractive for new investment.

Key Strategies

\$812.7M Savings

Prioritize the Average Taxpayer

- Promote fairness by focusing on delinquent or non-compliant taxpayers
- Target new revenue only from those with greater ability to pay
- Redirect Plan savings from cost-saving initiatives to direct property tax relief for homeowners

Leverage Existing Programs and Best Practices

- Maximize use of State-funded programs to deliver targeted relief without additional local cost
- Explore opportunities for funding certain services through fees rather than general tax dollars
- Utilize best practices from peer cities to diversify revenues without raising tax rates.

Measures of Success

\$2.12 Property Tax Rate Full Rate

\$1.76 Property Tax Rate Homeowner Rate

47.2% Property Tax Reliance

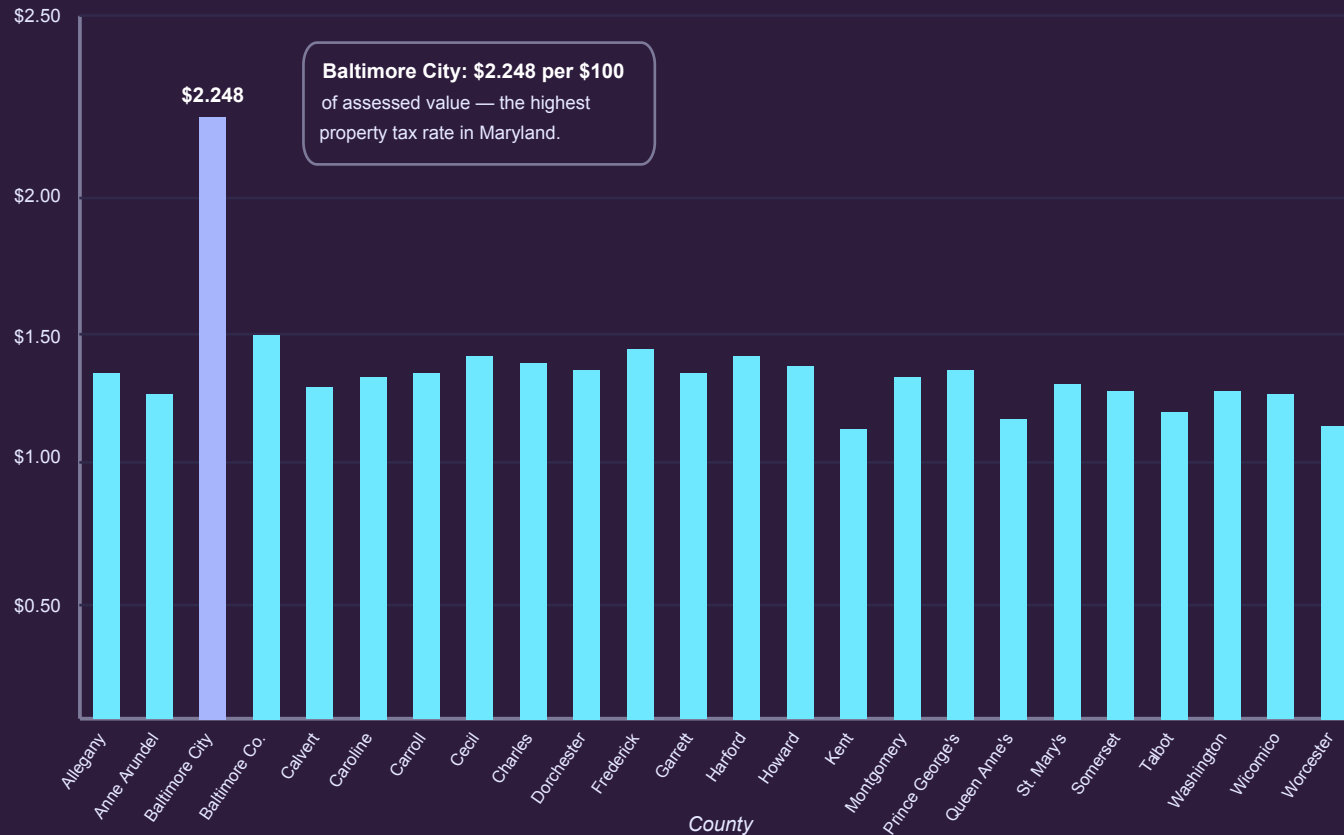
Initiative Categories

- Tax Rate Alignment
- Direct Tax Relief
- Protect Vulnerable Residents
- Broaden Tax Base
- Finance Recoveries

Findings

The City's property tax rate is, by far, the highest in the State of Maryland. Other City tax rates, such as income, hotel, admissions and amusement, and transfer and recordation, are either the highest or tied for the highest in the State of Maryland. Further, the unique nature of Baltimore's tax base, with nearly 30% of its property value exempt from taxation due to State exemptions for non-profit institutions, places a disproportionate tax burden on the remaining taxpayers.

Baltimore's Current Property Tax Rate is the Highest in the State of Maryland



Tax Rate Comparisons
"Big Six" Maryland Counties

COUNTY	INCOME TAX	RECORDATION	TRANSFER	HOTEL	ADMISSIONS & AMUSEMENT
Baltimore City	3.20%	\$5.00	1.50%	9.50%	10.00%
Baltimore County	3.20%	\$2.50	1.50%	9.50%	10.00%
Anne Arundel	2.81%	\$3.50	1.00%	7.00%	10.00%
Howard	3.20%	\$2.50	1.25%	7.00%	7.50%
Montgomery	3.20%	\$4.45	1.00%	7.00%	7.00%
Prince George's	3.20%	\$2.75	1.40%	7.00%	10.00%
Baltimore City Rank	6/6	6/6	6/6	6/6	6/6

The City's high tax burden is also confirmed by a 2021 study by the District of Columbia that compared combined State and local tax burdens for the largest city in each U.S. State. Notably, Baltimore ranks poorly across a wide range of household income levels. For incomes ranging from \$50,000 to \$150,000, Baltimore's burden ranks as either the third or fourth highest among the 50 comparison cities:

District of Columbia National Tax Burden Report
Baltimore Tax Burden Rank by Household Income

HOUSEHOLD INCOME	PROPERTY	INCOME	SALES	AUTO	TOTAL (\$)	PERCENT (%)	BALTIMORE RANK (out of 51)
\$50,000	3,036	2,691	1,084	238	7,049	14.1%	3rd
\$100,000	6,071	6,666	1,424	584	14,745	14.7%	4th
\$150,000	9,107	8,625	1,683	511	19,926	13.3%	4th

Baltimore cannot solely rely on additional broad-based tax increases to balance its budget or to fund new strategic investments. Any large tax increase risks further eroding the City's tax base and will serve as a disincentive to attracting additional residents and businesses.



Recent Progress

Change to Grow called on the City to broaden its tax base and strengthen revenue collections in an effort to redirect savings towards a comprehensive tax reduction effort focused on residential homeowners. The City succeeded in reducing the effective tax rate on homeowners by 9%, but further progress is needed to accelerate relief.

Starting in Fiscal 2013 and continuing for over a decade, the City introduced new revenues to its General Fund. The City added casino revenues from the opening of the Horseshoe Casino and

negotiated a new 10-year deal for contributions from large tax-exempt non-profit institutions. The City also added or expanded taxes for billboards, grocery bags, taxis, ride-share services, room-sharing services, and parking garages, among others. These new revenues allowed the City to commit to a phased-in plan to reduce the property tax burden on residential homeowners. Beginning in Fiscal 2014, the City created the Targeted Homeowners Tax Credit (commonly known as “20 Cents by 2020”) to deliver tax relief to residential owner-occupied properties. That program successfully reduced the effective rate for homeowners from \$2.248 in Fiscal 2013 to \$2.048

by Fiscal 2020. Today, residential homeowners still benefit from this program, which provides an average of \$360 in tax relief each year.

The pause on property tax relief between Fiscal 2020 and Fiscal 2025 created an opening for other organizations to advocate for more aggressive, but ultimately misguided, tax reduction strategies. Popular support for proposed ballot measures regarding property tax reduction highlights the importance of this issue among residents and underscores the urgency for the City to present a responsible, realistic, and meaningful plan to provide additional tax relief.

Initiatives

To grow the City, we must improve our tax competitiveness relative to other Maryland jurisdictions in order to retain and attract residents and businesses to Baltimore. At the same time, we must pursue tax reduction in a responsible and targeted manner to ensure we do not jeopardize revenues that support the other two cornerstones, Core Service Delivery and Infrastructure Investment, that are essential for fueling future growth. The 10-Year Financial Plan includes a multi-dimensional approach to improving the City's tax competitiveness.

We will better align the City's tax rate with best practices in other Maryland jurisdictions, providing a more accurate apples-to-apples comparison of the City's tax rate with other Maryland counties.

The 10-Year Financial Plan includes the following actions:

- Increase the Homestead Tax Credit cap from 4% to 6% beginning in Fiscal 2027, better matching the practice of higher caps in many peer Maryland counties and municipalities. The tax credit limits annual property tax increases resulting from increased assessments for owner-occupied homes. This change will generate additional revenues from rapidly growing neighborhoods while maintaining safeguards to protect legacy homeowners from rising tax bills.
- Move Solid Waste costs into a Solid Waste Enterprise Fund and charge users a fee for this service, consistent with standard practice in other large Maryland counties including Anne Arundel, Prince George's, Howard, and Montgomery. This change creates a dedicated revenue stream to fund improvements in Solid Waste collections and facilities.

We will commit to steady, incremental, but responsible rate reduction in the long-term, prioritizing revenues from future initiatives to provide direct relief for residential homeowners.

The 10-Year Financial Plan includes the following actions:

- Implement one-penny per year reductions in the residential homeowner tax rate from Fiscal 2031 through Fiscal 2035, further reducing the rate from \$1.81 to \$1.76 and providing an additional \$100 of tax relief per year for the average taxpayer.
- Prioritize any new unplanned revenues that materialize before the end of the 10-year plan period, in Fiscal 2035, to either accelerate or expand existing tax reduction efforts.

The combined impact of these initiatives would serve two goals: to provide new homebuyers a more accurate, apples-to-apples comparison of the City's tax burden versus other large Maryland counties, and to provide direct tax relief to existing residential homeowners. The average residential homeowner, with a home assessed at \$200,000 and growing in value at 4% per year, would save \$1,500 cumulatively under this Plan over the ten-year period.

We will better utilize existing programs to protect our most vulnerable homeowners, putting cash back in the pockets of Baltimoreans and reducing the risk of tax sale and other predatory practices.

The 10-Year Financial Plan includes the following actions:

- Make a targeted effort to boost enrollment in the State Homeowners' Tax Credit and Renters' Tax Credit. These programs, with costs almost entirely borne by the State, provide over \$11.0 million in direct cash relief each year to Baltimore households. Census analysis shows that thousands of additional households could be enrolled with a coordinated effort between the City and local non-profits.
- Add the City's voice to a state-wide lobbying effort among counties to expand the criteria for the State Homeowners' Tax Credit. The household income eligibility limit of \$60,000 has not been adjusted for inflation since 2003, causing over 4,000 Baltimore households to lose access to the credit in just the last decade.

We will broaden the City's overall tax base, focusing on revenue sources that reduce the burden on residential homeowners and protect the average taxpayer.

The 10-Year Financial Plan includes the following City actions:

- Revise the City's taxicab tax from \$0.25 cents to \$0.50 cents per trip. Baltimore's rate is lower than most other cities, and the increase will result in only a 1-2% increase in the average per ride cost.
- Implement an increase to the City's landfill tipping fee charged to private waste haulers for using the City's Quarantine Road Landfill. The City's rate has not been revised since 1993 and has fallen behind rates at other regional landfills, leading to overuse of the facility and shortening its useful life.
- Update the City's fines and fee schedule to ensure that fines and fees are adjusted for inflation and tested to ensure they cover the full cost of the service or process.
- Implement a new PILOT agreement with the largest non-profits to more fairly account for their use of City services, including fire protection, emergency medical services, policing, infrastructure support, and more.
- Working through guidance from the Mayor's Tax Credit Workgroup, the City will introduce comprehensive tax credit reform legislation to maximize the value of new development projects while minimizing the City's subsidy costs. The proposal will seek to simplify eligibility criteria, eliminate unnecessary rules and regulation, and better target incentives for projects in more challenging markets.
- Invest new revenue from State cannabis tax distributions into the City's budget, directing funds to investments and services based on State guidance to communities harmed by marijuana prohibition and enforcement.
- In partnership with the Maryland Association of Counties (MACo) and other local governments, the City will seek State legislation to increase the cap on local income tax rates. The City will institute progressive rates with this new authority, applying a higher rate only to the highest-earning households. This progressive system will mirror similar efforts in Frederick County, Anne Arundel County, and the State of Maryland, and ensure that the wealthiest residents pay their fair share of taxes.
- Pilot a municipal advertising program within City-owned parking garages to generate additional revenue, with the potential to expand this model to include advertising on other City assets.

We will modernize and tighten the City's revenue collections processes, ensuring fairness and compliance for all taxpayers.

The 10-Year Financial Plan includes the following actions:

- Continue the City's successful process of filing appeals on properties that are under-assessed by the State, adding millions of additional tax dollars to the City's coffers.
- Develop an ongoing process to audit properties with residential owner-occupied status, to ensure that valuable tax credits do not go to properties that are no longer eligible.
- Develop an ongoing process to identify and investigate properties that could be abusing tax-exempt status for real property being used for religious, charitable, or educational purposes.
- Strengthen the City's process of monitoring compliance on self-reported taxes, which has already netted millions of dollars of under-reported parking and hotel taxes. Expand the process to target other self-reported taxes and fees including telecommunications tax, energy tax, taxicab tax, and beverage container tax, among many others.
- Perform a comprehensive review of each of the City's 87 payment-in-lieu-of-taxes (PILOT) agreements, revoking any agreements where property owners are not meeting the terms of agreement.
- Utilize revenue available via the federal Inflation Reduction Act (IRA) to partially reimburse City purchases of electric vehicles and other clean-energy investments.
- Work with State partners to review entertainment venues and ticketers, to ensure they are fully and accurately reporting revenues subject to the City's Admissions & Amusement Tax.
- Strengthen the City's controls for entities that utilize the City's right of way — for conduits, street cuts, and streetlights, for example — to ensure that vendors are current on outstanding bills before new work is approved.
- Implement a modern revenue collection system, which will improve data accuracy, provide real-time reporting, and improve customer service.
- Modernize and enhance practices for collecting on delinquent accounts, to ensure fairness and reduce the burden on compliant taxpayers.
- Develop and implement a plan to expand the City's electronic payment system to all City taxes and fees, with a goal of dramatically reducing any remaining paper check or cash payment processes.

The sum of these Tax Competitiveness initiatives will reduce the City's property tax rate and broaden its tax base while protecting residential homeowners and the average taxpayer. These efforts are projected to generate \$886.5 million of additional General Fund revenues over a 10-year period. The proceeds will be used for rate reduction, general budget balancing, infrastructure investment, or reserved for other future strategic investments.

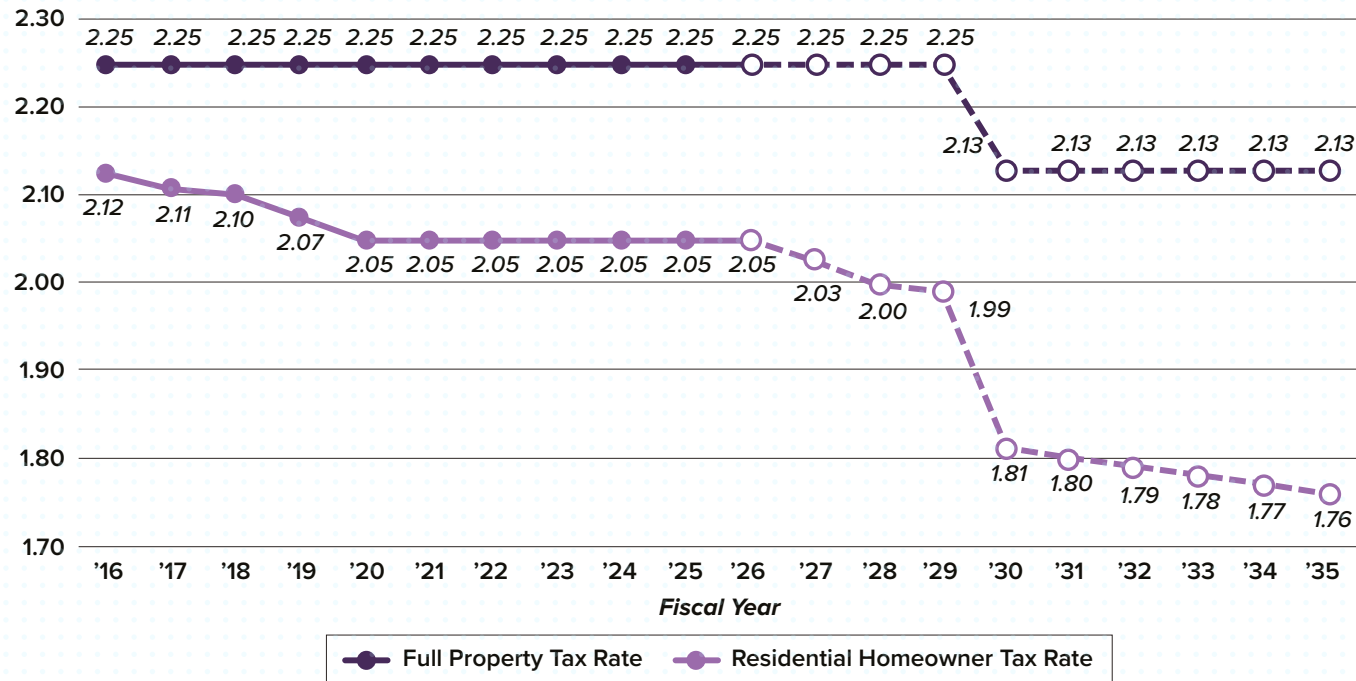
Tax Competitiveness (\$ in millions)

FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	Total
\$17.4	\$31.1	\$54.3	\$72.8	\$85.4	\$96.8	\$117.5	\$127.2	\$137.1	\$147.0	\$886.5

Measures of Success

Full and Residential Homeowner Property Tax Rates

Target: Full Rate at \$2.12 and Homeowner Rate at \$1.76 by Fiscal 2035



Definition: The full property tax rate is the rate established by ordinance each fiscal year and is applied to commercial properties and non-owner-occupied residential properties. The residential homeowner property tax rate is the effective rate paid by owner-occupants after applying the Targeted Homeowners Tax Credit. Compared to surrounding jurisdictions, the property tax rate is a critical indicator of Baltimore's competitiveness in attracting and retaining residents and businesses.

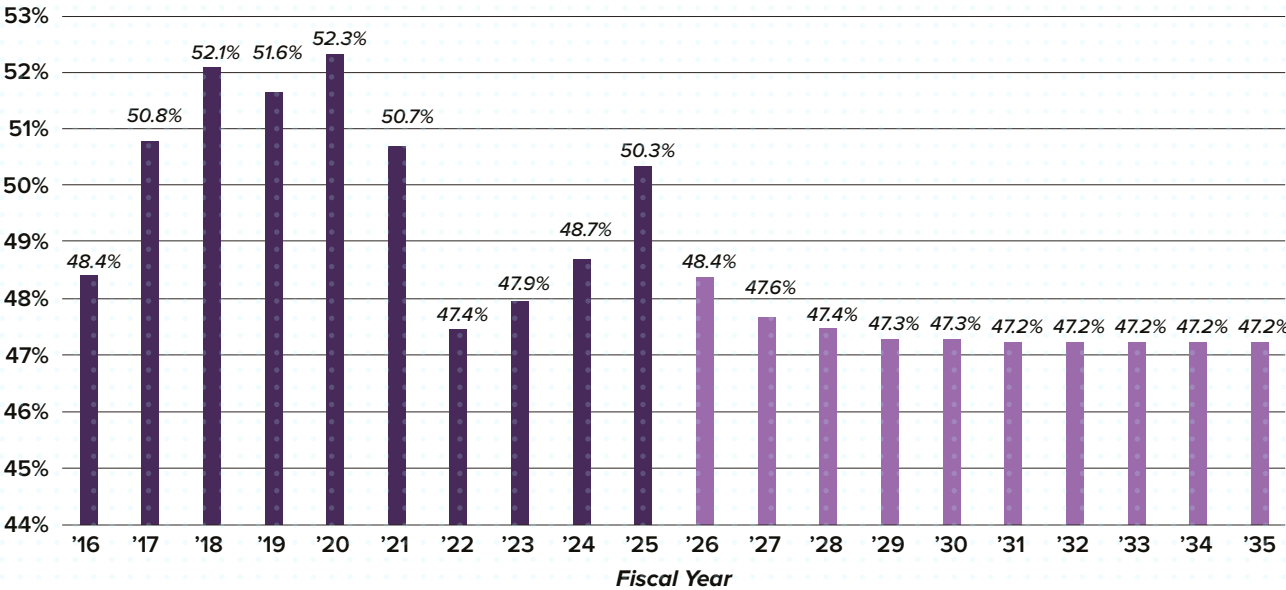
History: Baltimore's low tax base places it at a disadvantage when setting property tax rates. While the Targeted Homeowners Tax Credit has reduced the effective residential owner-occupied rate to \$2.048, this remains significantly higher than rates in neighboring counties. The resulting gap has limited the City's ability to attract new investment and retain homeowners.

Strategy: Securing Baltimore's Future calls for reducing both the full property tax rate and the effective residential owner-occupied rate over the next decade. Key initiatives include increasing the Homestead Tax Credit cap to 6% and establishing a Solid Waste Enterprise Fund and fee, bringing Baltimore's fiscal practices more in line with those of other Maryland counties. Additional initiatives designed to broaden the tax base will further enable rate reductions and lower the overall tax burden on City residents.

Definition: Property Tax Reliance is defined as the share of actual property tax revenues compared to total General Fund revenues. This measure indicates the City’s level of dependence on property taxes as its primary source of revenue.

History: For the past decade, Property Tax Reliance has remained close to 50%, reaching a high of 52.3% in Fiscal 2020 and a low of 47.4% in Fiscal 2022. The sharp fluctuation during this period reflected the decline and subsequent recovery of non-property tax revenues during the COVID-19 pandemic. Prior to the pandemic, the ratio exceeded 50% in four of five consecutive years, underscoring the City’s heavy reliance on this single revenue stream.

Property Tax Reliance
Target: 47.2% or Below by Fiscal 2031



Strategy: *Securing Baltimore’s Future* seeks to reduce Baltimore’s dependence on property taxes by lowering the property tax rate, both to attract new investment and to ease the burden on existing homeowners. Over time, the goal is to broaden the City’s revenue base, ensuring a more balanced and sustainable mix of revenues to fund essential services.

The Choices Ahead

Baltimore currently stands at a crossroads, caught between two stories: one of decline, and one of resilience and renaissance. The story that prevails is unknown and it is not preordained. The actions and strategies we implement over this next critical decade will chart the course for the City's future.

If we accept the status quo and continue our current trajectory, we risk following a slow, decades-long path of decline:

- Structural budget shortfalls, beginning with a \$47.2 million deficit in Fiscal 2027, will continue to grow, leading to annual budget cuts that further weaken City services.
- City reserves will be depleted within two to three years, jeopardizing the City's AA credit rating and leaving us vulnerable to unexpected emergencies.
- Property tax rates for residents and business will remain above \$2.00 per \$100 of assessed value, fueling further external efforts to mandate lower rates that will harm City services.
- Tax credit programs will continue to reinforce existing patterns of inequality, limiting our ability to spread the wealth and grow the City's economy.
- Employee vacancy rates will remain high, at levels exceeding 15% overall, further straining our ability to deliver consistent City services without disruption.
- City agencies will continue to rely on outdated processes, equipment, and technology, further frustrating

interactions between the public and City government.

- Infrastructure improvements will continue to be deferred, leading to costly short-term fixes that only increase the risk of a catastrophic infrastructure failure.
- City residents, frustrated by stagnation, will continue to flee to jurisdictions where they receive a better value for their tax dollars.

By contrast, if we have the courage to commit to the strategies and initiatives in this **10-Year Financial Plan: Securing Baltimore's Future**, we can set off a virtuous cycle of growth and reinvestment that unlocks the potential of our community:

- Balanced annual budgets will lead to discussions about how to invest, rather than what to cut.
- The City's reserves will be maintained for true emergencies, safeguarding the City's AA bond and ensuring continued access to capital markets.
- Property tax rates will decrease to \$1.76 for residential homeowners, narrowing the gap with surrounding jurisdictions and improving our ability to compete for new residents and investment.
- Tax credit programs will be better targeted to areas with untapped

growth potential, broadening the tax base and reducing the burden on homeowners.

- The City will provide consistent cost-of-living adjustments for employees and upgrade salaries for positions that lag behind regional competitors.
- City agencies will be equipped with the most current equipment and technology, improving service delivery and increasing customer satisfaction.
- Growing infrastructure investment will lead to a noticeable improvement in the appearance and function of the City's built environment, signaling progress to residents and visitors.
- The City will reverse decades of

population loss and continue the small but encouraging trend of population growth, sparking a virtuous cycle of growth and reinvestment.

These outcomes are not just aspirational — they are backed by a concrete financial path forward. The table below illustrates how the initiatives in this Plan largely transform projected deficits into balanced budgets, and even generate some modest surpluses that can be reinvested in the City's future:

Implementing the **10-Year Financial Plan** will require sacrifice, hard work, and coordination across many different

organizations and levels of government. Locally, it will require leadership from City elected officials and a spirit of cooperation among municipal agencies, front-line workers, and employee unions. It will require continued collaboration with State and federal partners to maximize and preserve critical funding for areas like education, transportation, and economic development, among many others. And, it will require strengthening partnerships with regional and civic stakeholders as we rebuild trust with the public at-large.

Ultimately, private investment, in the form of new residents, businesses, and development, will be necessary to reinvigorate the City. To attract that investment, Baltimore must remain

laser-focused on the three cornerstones of the 10-Year Financial Plan: Core Service Delivery, Infrastructure Investment, and Tax Competitiveness. By managing our finances responsibly and investing in these areas, we can seize the opportunity to restore Baltimore's status as one of the great cities in the United States.

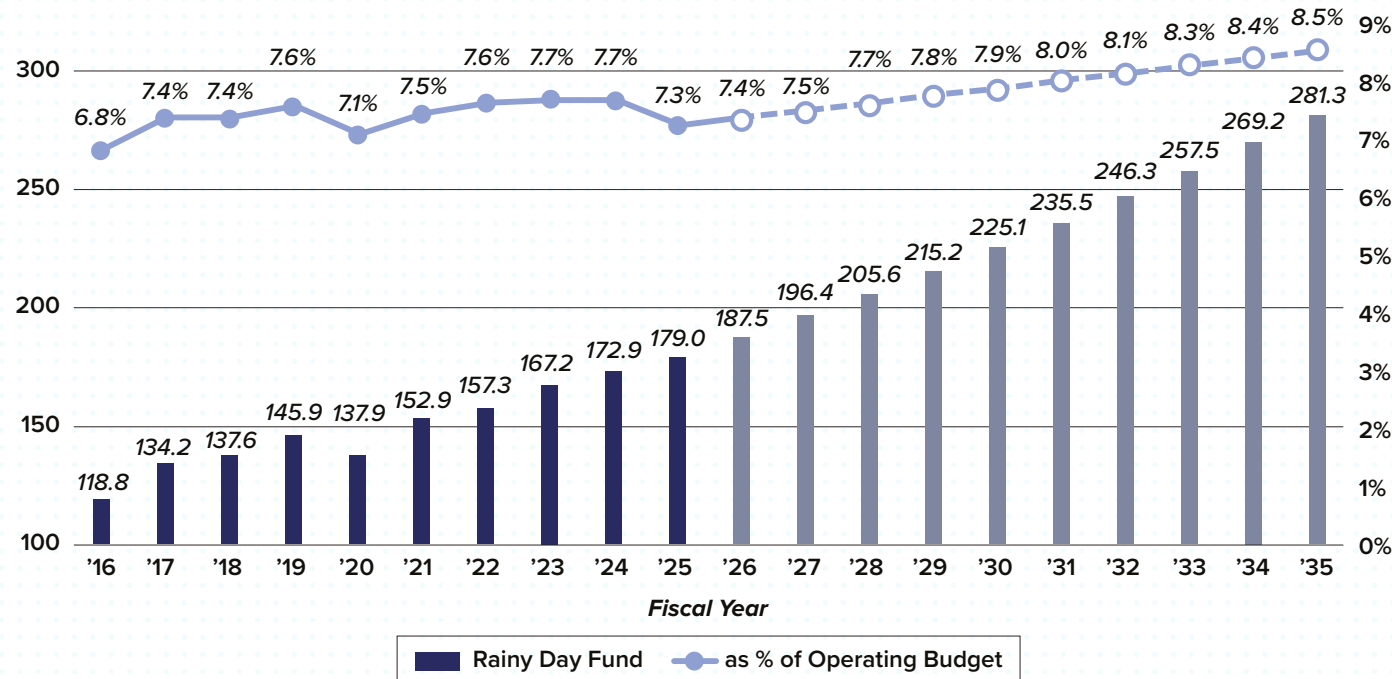
10-Year Financial Plan Initiatives Largely Close Budget Deficits over the Next Decade (\$ in millions)

Measure	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	Total
Baseline Gap	0.0	(47.2)	(66.3)	(66.4)	(86.9)	(114.0)	(137.2)	(166.4)	(141.9)	(175.8)	(1,002.9)
Initiative Savings	0.0	44.2	82.2	116.8	124.0	133.9	139.4	144.0	149.3	153.0	1,009.9
Net Result	0.0	(3.0)	15.9	50.4	37.1	19.9	2.2	(22.4)	7.4	22.8	7.8

City Fiscal Health: Measures of Success

Rainy Day Fund

Target: 8% of the subsequent year operating budget by Fiscal 2031



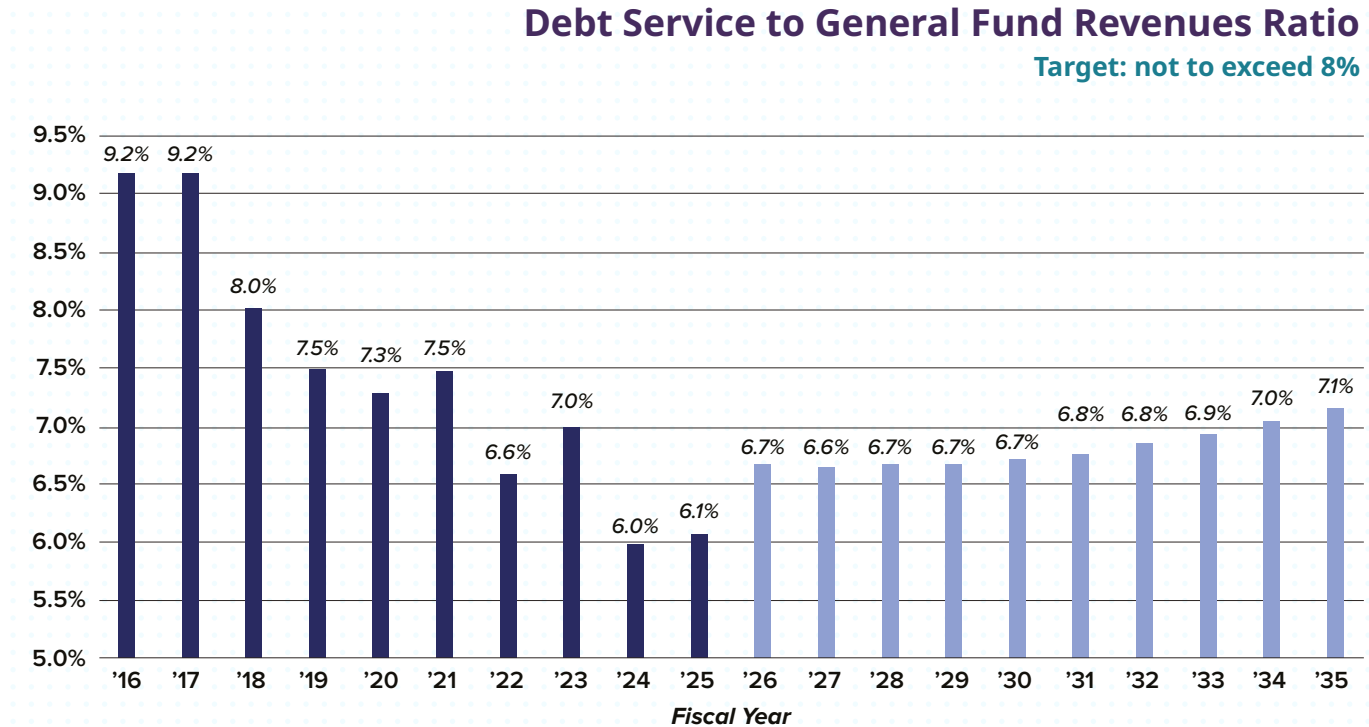
Definition: The Rainy Day Fund was established by the City in Fiscal 2000. It is a measure of how well the City can withstand one-time unanticipated emergencies. To properly control for inflation and purchasing power, it is best measured as a percentage of the following year's operating budget.

History: Since its inception, the City has drawn funds from the Rainy-Day Fund three times: to cover revenue shortfalls and expenses for two historic snowstorms in Fiscal 2010; to cover expenses related to civil unrest in Fiscal 2015; and to cover revenue shortfalls due to the onset of COVID-19 in Fiscal 2020. The City's policy requires the Fund to be replenished within five years of any withdrawal. All prior withdrawals have been fully repaid.

Strategy: The City's first 10-Year Financial Plan, *Change to Grow*, accelerated annual contributions to the Rainy Day Fund with the intent of reaching 8%, which equates to roughly one month of operating expenditures. The Fund's balance has grown steadily over the past decade except for the withdrawal in Fiscal 2020 during COVID-19. The City plans to continue its practice of making regular annual budgeted contributions to the Rainy Day Fund beginning with a \$3.4 million contribution in Fiscal 2026. These annual contributions, combined with interest earnings accrued in the Fund, will set the City on a path to reach the 8% target by Fiscal 2031.

Definition: The Debt Service to General Fund Ratio measures the share of the City's recurring General Fund revenues dedicated to paying annual debt service. The City's Debt Policy establishes annual borrowing limits, refunding and refinancing standards, and affordability thresholds for key debt management ratios. The current Debt Policy, published in Fiscal 2024, recommends that the Debt Service to General Fund Revenue ratio not exceed 8%. Limiting the growth of this ratio helps ensure that the City's operating resources are not over-encumbered by fixed debt obligations and preserves flexibility to fund core services.

History: Baltimore's Debt Service to General Fund Revenue Ratio has steadily declined over the past decade — from a high of 9.2% in Fiscal 2016 to a low of 6.0% in Fiscal 2024. This improvement reflects the retirement of major debt issuances tied to projects such as parking garages (Fiscal 2019), the Convention Center (Fiscal 2020), and General Obligation refinancing (Fiscal 2024). Looking ahead, the ratio is projected to increase modestly to 6.7% in Fiscal 2026, primarily due to new

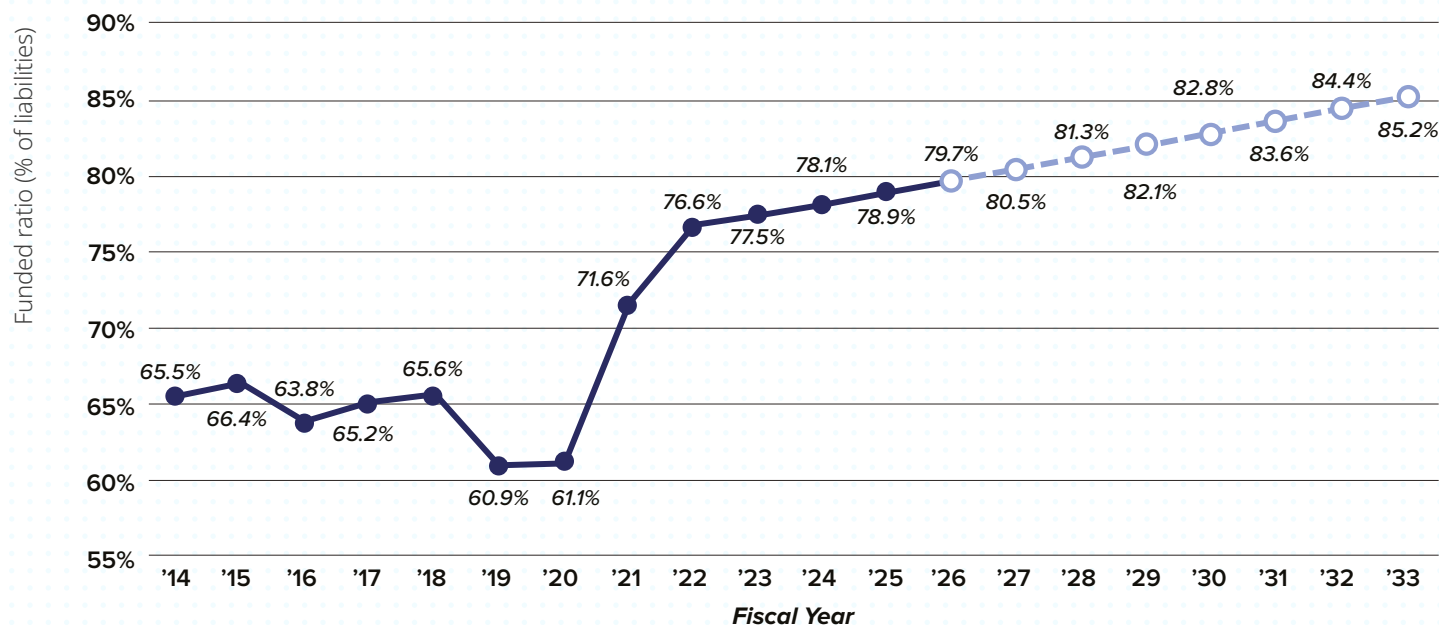


debt service associated with City vehicle purchases initiated in Fiscal 2016 and a planned “catch-up” General Obligation bond issuance.

Strategy: *Securing Baltimore's Future* includes a measured increase in the City's annual General Obligation debt issuance to strengthen capital investment in infrastructure, facilities, and neighborhoods. While this initiative will raise annual debt service costs, it is designed to occur alongside efforts to broaden the City's tax base and grow recurring General Fund revenues. As a result, the City's Debt Service to General Fund Ratio is projected to increase, while remaining under the 8% affordability target established by policy — ensuring sustainable borrowing that supports long-term fiscal health and capital needs.

Funded Ratio for Pension and Retiree Healthcare Liabilities

Target: 85% by Fiscal 2033



Definition: The funded ratio for any long-term obligation is defined as the ratio between the Plan's assets and the value of future promised benefits. The Funded Ratio is a measure of how well the City is saving for future obligations to City employees and retirees.

History: The City has established three separate plans to account for future pension and retiree healthcare benefit costs: the Employee Retirement System (ERS) civilian employees; the Fire and Police Retirement System (F&P) for sworn officers; and the Other Post-Employment Benefits Plan (OPEB) for all employees' healthcare in retirement. Each year an independent actuarial study measures each Plan's assets and liabilities to determine the funded ratio.

The City's combined funded ratio for pension and retiree healthcare has improved significantly over the last decade and a half, mostly due to the success of initiatives in the City's first 10-Year Financial Plan, **Change to Grow**.

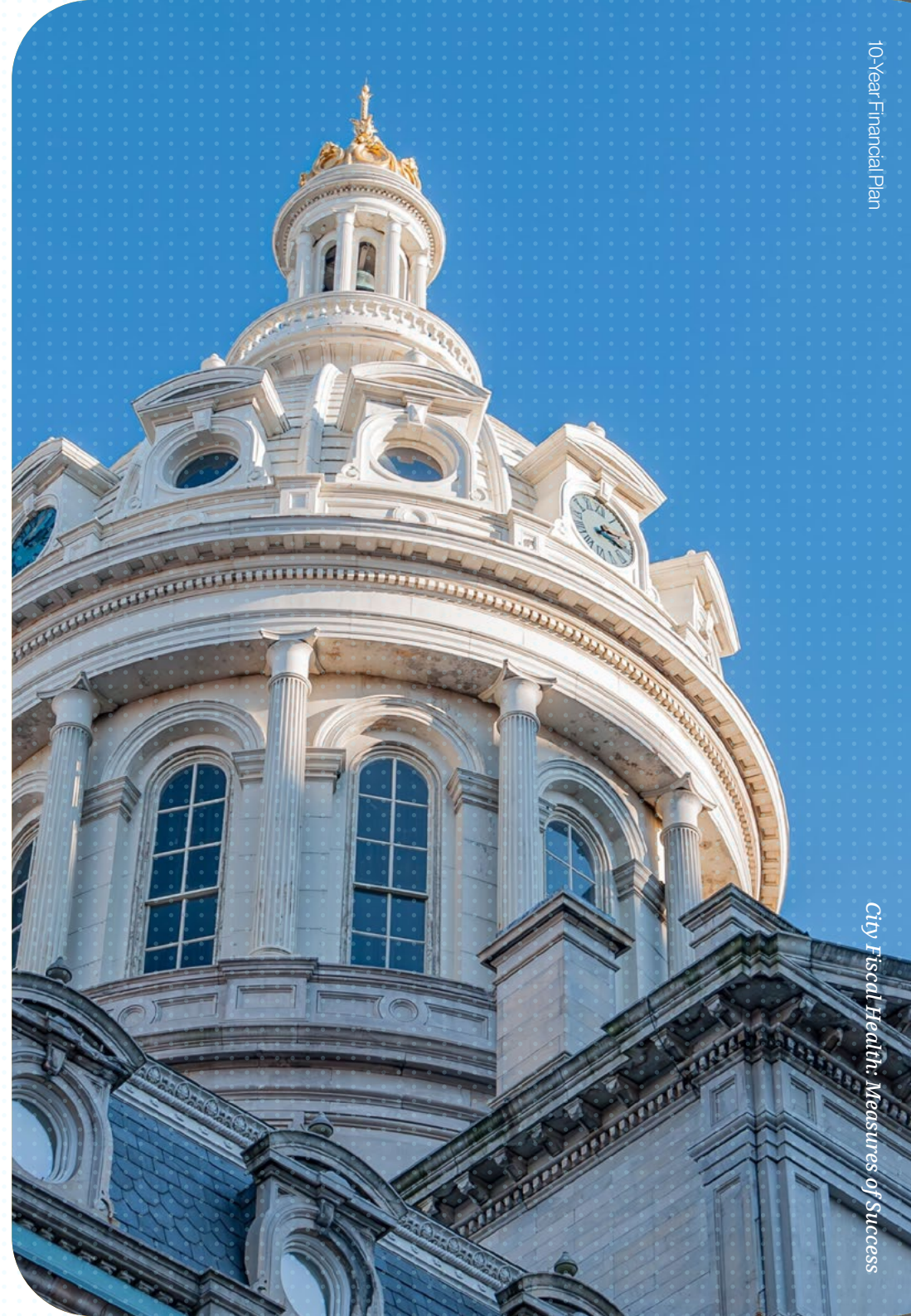
OPEB: The Plan is more than fully funded (100.7%) as of Fiscal 2024, a dramatic turnaround from a low of 5.8% in Fiscal 2010. The improvement was driven by three factors: a Plan change requiring 20% contributions from retirees for prescription drug benefits beginning in Fiscal 2013; the transition of retirees from Medicare Supplemental Plans to Medicare Advantage (MA) Plans in Fiscal 2022; and recurring voluntary City contributions to the OPEB Trust Fund beyond the actuarially determined amount beginning in Fiscal 2012.

ERS: Beginning in Fiscal 2013, civilian employees were required to begin phasing in contributions to the Plan, reaching 5% of salary by Fiscal 2018. In Fiscal 2014, the existing civilian pension plan was closed to new entrants, and new hires were directed to two new plan options that better balance the investment risk between the City and the employee. These reforms stabilized the Plan and improved the Plan's funded ratio, which grew from 67.7% in Fiscal 2012 to 80.0% by Fiscal 2024. The

Plan has only eight years remaining on its amortization schedule to pay down unfunded liabilities. Assuming continued City contributions and investment returns that meet benchmark, the Plan will reach fully funded (100%) status by Fiscal 2034.

F&P: Reforms to the F&P pension system in Fiscal 2010, which replaced the variable benefit with a fixed COLA and increased the years-of-service requirement to 25 years, stabilized the Plan in the short-term. However, the failure of F&P new hires legislation in Fiscal 2015 led to a gradual decline of the funded ratio from 83.2% in Fiscal 2010 to 72.2% in Fiscal 2024. In addition, legislation signed in 2024, which reversed some portions of the 2010 reforms, could lead to additional unfunded liabilities and a decrease in the funded ratio.

Strategy: The success of initiatives from ***Change to Grow*** has put the City on a path to continued improvement in the Funded Ratio. The City will continue to make its scheduled annual contributions, which will pay down unfunded liabilities and improve the City's funded ratio.



Appendix A: Initiative Summary

Cornerstone: Core Service Delivery

Goal: Rebalance Compensation

#	INITIATIVE	AUTHORITY	DATE	SAVINGS
1.01	Implement Salary Study (Phase 1) Catch-Up Adjustment	Union Negotiated	FY 26	(129.5)
1.02	Implement Salary Study (Phase 2) Career Ladder	Union Negotiated	FY 27	(30.5)
1.03	Adjust Health Premium Co-Shares Back to 80/20 or 90/10	Union Negotiated	FY 28	19.0
1.04	Reform Pre-Medicare Prescription Drug Subsidy to 50%	Union Negotiated	FY 28	19.0
1.05	Reform Spousal Healthcare Coverage Subsidies	Union Negotiated	FY 28	57.0
1.06	Modernize Co-Pays and Co-Insurance	Union Negotiated	FY 28	63.4
1.07	Modernize MAPS Compensation	Union Negotiated	FY 29	(19.9)

Goal: Leave Modernization

#	INITIATIVE	AUTHORITY	DATE	SAVINGS
1.08	Leave Buyback Program	Union Negotiated	FY 27	(8.8)
1.09	Strengthen Family and Medical Leave Benefits	Mayor's Authority	FY 28	(34.2)

Goal: Parking and Traffic Modernization

#	INITIATIVE	AUTHORITY	DATE	SAVINGS
1.10	Implement Tiered Fines for Speed Camera Violations	State Legislation	FY 26	36.7
1.11	Modernize Parking Enforcement with LPR Technology	Mayor's Authority	FY 27	64.2
1.12	Eliminate Sworn Officer Review for Camera Violations	State Legislation	FY 27	4.1
1.13	Enhance Penalties on Traffic Camera Citations	State Legislation	FY 27	37.6
1.14	Split Parking Enforcement and Traffic Control Duties	Mayor's Authority	FY 28	0.9
1.15	Enable Mailed Parking Citations	State Legislation	FY 29	7.7
1.16	Expand Traffic Camera Use	Mayor's Authority	FY 29	2.0
1.17	Pursue Out-of-State Fine Reciprocity Agreements	State Legislation	FY 29	0.8
1.18	Localize Parking Fine Adjudication	State Legislation	FY 31	1.6

Goal: Public Safety Reforms

#	INITIATIVE	AUTHORITY		
1.19	Update EMS Fee Schedule to Market Rates	Board of Estimates	FY 26	63.1
1.20	Reform Firefighter Sick Leave	Union Negotiated	FY 27	19.9
1.15	Enable Mailed Parking Citations	State Legislation	FY 29	7.7
1.16	Expand Traffic Camera Use	Mayor's Authority	FY 29	2.0
1.17	Pursue Out-of-State Fine Reciprocity Agreements	State Legislation	FY 29	0.8
1.18	Localize Parking Fine Adjudication	State Legislation	FY 31	1.6

Goal: Public Safety Reforms

#	INITIATIVE	AUTHORITY	DATE	SAVINGS
1.19	Update EMS Fee Schedule to Market Rates	Board of Estimates	FY 26	63.1
1.20	Reform Firefighter Sick Leave	Union Negotiated	FY 27	19.9
1.21	Revise Public Safety Work Schedules	Union Negotiated	FY 28	25.8
1.22	Expand Public Safety Civilianization Plan	Mayor's Authority	FY 29	16.9
1.23	Establish Full-Cost Reimbursement for Special Events	Mayor's Authority	FY 29	2.3

Goal: Opioid Restitution

#	INITIATIVE	AUTHORITY	DATE	SAVINGS
1.24	Create Opioid Trust Fund	Mayor's Authority	FY 26	67.7
1.25	Launch 911 Nurse Navigation Services	Mayor's Authority	FY 26	(10.1)
1.26	Deploy Private Ambulance Support for EMS	Mayor's Authority	FY 26	(57.6)

Goal: Technology and Modernization

#	INITIATIVE	AUTHORITY	DATE	SAVINGS
1.27	Revitalize Innovation Fund	Mayor's Authority	FY 27	(10.0)
1.28	Artificial Intelligence (AI) Strategy and Pilot	Mayor's Authority	FY 29	67.0
1.29	Modernize Aerial Operations	Mayor's Authority	FY 29	25.0
1.30	Implement Procurement Transformation	Mayor's Authority	FY 30	0.6
1.31	Implement BMORE Fast Initiative	Mayor's Authority	FY 30	0.6

Goal: Competition

#	INITIATIVE	AUTHORITY	DATE	SAVINGS
1.32	Expand Gainsharing	Board of Estimates	FY 30	0.7
1.33	Introduce Managed Competition	Board of Estimates	FY 30	2.2
1.34	Make or Buy Analysis	Mayor's Authority	FY 30	0.6

Goal: Oversight

#	INITIATIVE	AUTHORITY	DATE	SAVINGS
1.35	Right-Size Citywide Telecom Services	Mayor's Authority	FY 28	18.7
1.36	Strengthen Overtime Oversight and Controls	Mayor's Authority	FY 29	17.2
1.37	Conduct Staffing Studies for Key Services	Mayor's Authority	FY 29	0.8
1.38	Reduce Vehicle Maintenance Costs	Mayor's Authority	FY 29	3.3
1.39	Maximize Grant Revenue through Indirect Cost Recovery	Mayor's Authority	FY 30	1.9

Goal: Governance

#	INITIATIVE	AUTHORITY	DATE	SAVINGS
1.40	Explore Regional Models for Water and Wastewater Services	State Legislation	FY 30	0.0
1.41	Realign DPW for Greater Focus and Agility	Local Legislation	FY 30	(3.2)
1.42	Streamline Call Center Operations	Mayor's Authority	FY 31	1.6
1.43	Implement Shared Services for Small Agencies	Mayor's Authority	FY 31	0.5

Cornerstone: Infrastructure Investment**Goal: City Investment**

#	INITIATIVE	AUTHORITY	DATE	SAVINGS
2.01	Secure Remaining COVID-19 FEMA Reimbursement	Mayor's Authority	FY 26	80.0
2.02	General Fund PAYGO Capital Investments	Mayor's Authority	FY 26	(98.3)
2.03	Phase-In Higher Annual General Obligation (GO) Bond Borrowing	Local Legislation	FY 27	(243.4)
2.04	Accelerate Capital Project Delivery via P3 Pilot	Mayor's Authority	FY 29	0.0

Goal: State Investment

#	INITIATIVE	AUTHORITY	DATE	SAVINGS
2.05	Secure Permanent Highway User Revenue (HUR) Restoration	State Legislation	FY 28	528.8
2.06	HUR PAYGO Capital Investments	Board of Estimates	FY 28	(528.8)

Goal: Rightsizing

#	INITIATIVE	AUTHORITY	DATE	SAVINGS
2.07	Optimize City Real Estate Space	Mayor's Authority	FY 28	11.4
2.08	Repurpose Surplus City Properties for Private Investment	Board of Estimates	FY 28	36.6
2.09	Right-Size Recreation and Parks Facilities	Mayor's Authority	FY 28	0.9
2.10	Optimize Special Facilities Management	Mayor's Authority	FY 30	2.8

Goal: Economic Development

#	INITIATIVE	AUTHORITY	DATE	SAVINGS
2.11	Pursue Regional Revenue Source for Convention Center	State Legislation	FY 30	116.6
2.12	Modernize Baltimore Convention Center	State Legislation	FY 30	(117.0)

Goal: Vacants Remediation

#	INITIATIVE	AUTHORITY	DATE	SAVINGS
2.13	Launch Non-Contiguous TIF	Local Legislation	FY 26	(22.9)
2.14	Implement Vacant Tax Rate to Incent Property Reuse	Local Legislation	FY 27	21.3

*Cornerstone: Tax Competitiveness***Goal: Tax Rate Alignment**

#	INITIATIVE	AUTHORITY	DATE	SAVINGS
3.01	Increase Homestead Cap to 6%	Local Legislation	FY 27	242.5
3.02	Reduce Homeowner Property Tax Rate to \$1.99	Board of Estimates	FY 27	(109.6)
3.03	Implement Solid Waste Fee with Property Tax Offset	Local Legislation	FY 30	658.4
3.04	Reduce Homeowner Property Tax Rate to \$1.81 and Full Rate to \$2.12	Board of Estimates	FY 30	(658.4)
3.05	Establish Separate Residential Homeowner Property Tax Rate	State Legislation	FY 30	0.0

Goal: Direct Tax Relief

#	INITIATIVE	AUTHORITY	DATE	SAVINGS
3.06	Reduce Tax Rate to \$1.76 (Residential)	Board of Estimates	FY 31	(45.5)

Goal: Homeowners' and Renters'

#	INITIATIVE	AUTHORITY	DATE	SAVINGS
3.07	Boost Enrollment in State Homeowners and Renters Tax Credits	Mayor's Authority	FY 28	(4.4)
3.08	Expand Eligibility for State Homeowners and Renters Tax Credits	State Legislation	FY 28	(0.9)

Goal: Broaden Tax Base

#	INITIATIVE	AUTHORITY	DATE	SAVINGS
3.09	Increase Taxi and Ride-Share Trip Tax to \$0.50	Local Legislation	FY 26	33.7
3.10	Increase Landfill Tipping Fee for Large Haulers	Board of Estimates	FY 26	102.0
3.11	Modernize Fines and Fees	Local Legislation	FY 26	70.2
3.12	Renegotiate Non-Profit PILOT with Large Tax-Exempt Institutions	Board of Estimates	FY 27	148.4
3.13	Reform Development Tax Credits	Local Legislation	FY 27	26.8
3.14	Leverage Cannabis Tax Distributions	Board of Estimates	FY 27	132.1
3.15	Pursue Progressive Income Tax Rate for High Earners	State Legislation	FY 28	154.4
3.16	Revise Grocery Bag Tax Revenue Allocation	Local Legislation	FY 28	2.1
3.17	Monetize City Assets via Municipal Advertising	Board of Estimates	FY 28	20.5

Appendix B: Initiative Timeline

The 85 initiatives are presented via a timeline of the anticipated fiscal year that savings, revenue, or cost will be realized; as well as a schedule showing when planning begins and savings, revenue, or cost are realized. These were built based on impact, resource availability, and interdependency of initiatives.

FY 2026

- 1.01 Salary Study Phase 1
- 1.10 Tiered Fines for Speed Cameras
- 1.19 Update EMS Fees
- 1.24 Create Opioid Fund
- 1.25 Launch Nurse Navigator
- 1.26 Deploy Private Ambulance
- 2.01 Secure Remaining COVID-19 FEMA Reimbursement
- 2.02 General Fund PAYGO Capital Investments
- 2.13 Launch Non-Contiguous TIF
- 3.09 Increase Taxi and Ride-Share Trip Tax \$0.50
- 3.10 Increase Landfill Tipping Fees for Large Haulers
- 3.11 Modernize Fines and Fees

FY 2027

- 1.02 Salary Study Phase 2
- 1.08 Leave Buyback Program
- 1.11 Modernize Parking Enforcement
- 1.12 Eliminate Sworn Officer Review for Camera Violations
- 1.13 Enhance Penalties on Traffic Camera Citations
- 1.20 Reform Firefighter Sick Leave
- 1.27 Revitalize Innovation Fund
- 2.03 Phase-In Higher Annual General Obligation (GO) Bond Borrowing
- 2.14 Implement Vacant Tax Rate to Incent Property Reuse
- 3.01 Increase Homestead Cap to 6%
- 3.02 Reduce Homeowner Property Tax Rate to \$1.99
- 3.12 Renegotiate Non-Profit PILOT with Large Tax-Exempt Institutions
- 3.13 Reform Development Tax Credits
- 3.14 Leverage Cannabis Tax Distributions
- 3.18 Expand Property Assessment Appeals
- 3.19 Enforce Primary Residence Rules
- 3.20 Prevent Abuse of Property Tax Exemptions
- 3.21 Enhance Monitoring of Self- Reported Taxes
- 3.22 Enhance Oversight of Payment-in-Lieu-of-Taxes (PILOT)
- 3.23 Leverage Federal Inflation Reduction Act (IRA)

FY 2028

- 1.03 Adjust Health Premium Co-Shares
- 1.04 Reform Pre-Medicare Prescription Drug Subsidy
- 1.05 Reform Spousal Health Coverage Subsidies
- 1.06 Modernize Co-Pays and Co-Insurance
- 1.09 Strengthen Family and Medical Leave Benefits
- 1.14 Split Parking Enforcement and Traffic Control Duties
- 1.21 Revise Public Safety Work Schedules
- 1.35 Right-Size Citywide Telecom Services
- 2.05 Secure Permanent Highway User Revenue (HUR) Restoration
- 2.06 Highway User Revenue (HUR) PAYGO Capital Investments
- 2.07 Optimize City Real Estate Space
- 2.08 Repurpose Surplus City Properties for Private Investment
- 2.09 Right-Size Recreation and Parks Facilities
- 3.07 Boost Enrollment in State Homeowners' and Renters' Tax Credits
- 3.08 Expand Eligibility for State Homeowners' and Renters' Tax Credits
- 3.15 Pursue Progressive Income Tax Rate for High Earners
- 3.16 Revise Grocery Bag Tax Revenue Allocation
- 3.17 Monetize City Assets via Municipal Advertising
- 3.24 Improve Transparency in Admissions and Amusement Tax Collections
- 3.25 Strengthen Controls for City Right-of-Way Permits
- 3.26 Implement Tax Smart Revenue Collection System
- 3.27 Optimize Revenue Collection Processes

Appendix B: Initiative Timeline

The 85 initiatives are presented via a timeline of the anticipated fiscal year that savings, revenue, or cost will be realized; as well as a schedule showing when planning begins and savings, revenue, or cost are realized. These were built based on impact, resource availability, and interdependency of initiatives.

FY 2026

- 1.07 Modernize MAPS Compensation
- 1.15 Enable Mailed Parking Citations
- 1.16 Expand Traffic Camera Use
- 1.17 Pursue Out-of-State Fine Reciprocity Agreements
- 1.22 Expand Public Safety Civilianization Plan
- 1.23 Establish Full-Cost Reimbursement for Special Events
- 1.28 Artificial Intelligence (AI) Strategy and Pilot
- 1.29 Modernize Aerial Operations
- 1.36 Strengthen Overtime Oversight and Controls
- 1.37 Conduct Staffing Studies for Key Services
- 1.38 Reduce Vehicle Maintenance Costs
- 2.04 Accelerate Capital Project Delivery via P3 Pilot
- 3.28 Modernize Payment Options Across City Services

FY 2026

- 1.30 Implement Procurement Transformation
- 1.31 Implement BMORE Fast Initiative
- 1.32 Expand Gainsharing
- 1.33 Introduce Managed Competition
- 1.34 Make or Buy Analysis
- 1.39 Maximize Grant Revenue Through Indirect Cost Recovery
- 1.40 Explore Regional Models for Water and Wastewater Services
- 1.41 Realign DPW for Greater Focus and Agility
- 2.10 Optimize Special Facilities Management
- 2.11 Pursue Regional Revenue Source for Convention Center
- 2.12 Modernize Baltimore Convention Center
- 3.03 Implement Separate Solid Waste Fee with Property Tax Offset
- 3.04 Reduce Homeowner Tax Rate to \$1.81 and Full Rate to \$2.12
- 3.05 Establish Separate Residential Homeowner Property Tax Rate

FY 2026

- 1.18 Localize Parking Fine Adjudication
- 1.42 Streamline Call Center Operations
- 1.43 Implement Shared Services for Small Agencies
- 3.06 Reduce Homeowner Property Tax Rate to \$1.76



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