

Resolution No.:	<u>17-58</u>
Introduced:	<u>January 18, 2011</u>
Adopted:	<u>February 8, 2011</u>

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

By: County Council

SUBJECT: Spending Affordability Guidelines for the FY12 Operating Budget

Background

1. Section 305 of the Charter and Chapter 20 of the Montgomery County Code require the Council to set spending affordability guidelines for the operating budget for the next fiscal year.
2. The guidelines must specify:
 - a) A ceiling on property tax revenues, which are used to fund the aggregate operating budget.
 - b) A ceiling on the aggregate operating budget. The aggregate operating budget is the total appropriation from current operating revenues, including appropriations for capital projects but excluding appropriations for: enterprise funds, the Washington Suburban Sanitary Commission, specific grants for which the spending is contingent on the grants, and expenditures equal to the estimated tuition and tuition-related charges at Montgomery College.
 - c) The spending allocations for the County Government, the Board of Education, Montgomery College, the Maryland-National Capital Park and Planning Commission, debt service, and current revenue funding of capital projects. As noted above, the College's allocation excludes expenditures equal to the estimated tuition and tuition-related charges.
3. The legislation lists a number of economic and financial factors to be considered in adopting the guidelines, requires a public hearing before the Council adopts guidelines, and requires that the Council adopt guidelines no later than the second Tuesday in February for the fiscal year starting the following July 1.

4. At the public hearing on February 1, 2011, the public had the opportunity to comment on the following guidelines.
- a) The amount of property tax revenue will not exceed the amount calculated in accordance with §305 of the Charter that would require nine affirmative votes.
 - b) The ceiling on the aggregate operating budget and the agency allocations in \$millions:

County Debt Service	\$290.8
M-NCPPC Debt Service	4.5
Current revenue, specific projects	34.6
Current revenue, PAYGO	32.0
Retiree health insurance prefunding	83.6
MCPS	1,863.9
Montgomery College	135.0
County Government	1,129.7
M-NCPPC	90.0
Total = Aggregate Operating Budget	\$3,664.1

Action

The County Council for Montgomery County approves the following resolution:

1. The spending affordability guidelines for the FY12 Operating Budget are:
 - a) The amount of property tax revenue will not exceed the amount calculated in accordance with §305 of the Charter that would require nine affirmative votes.
 - b) The ceiling on the aggregate operating budget and the agency spending allocations in millions of dollars are:

County Debt Service	\$290.8
M-NCPPC Debt Service	4.5
Current revenue, specific projects	34.6
Current revenue, PAYGO	32.0
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2. The Council's intent is that \$3.7 million of the County Government's allocation will be appropriated for Community Grants (this amount excludes Community Service Grants), with Executive-recommended Community Grants totaling \$1.850 million and Council Community Grants totaling \$1.850 million.

This is a correct copy of Council action.


Linda M. Lauer, Clerk of the Council