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| Resolution No.: | 18-397 |
| Introduced: | January 12, 2016 |
| Adopted: | February 9, 2016 |

**COUNTY COUNCIL**
**FOR MONTGOMERY COUNTY, MARYLAND**

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Lead Sponsor: County Council

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**SUBJECT**: Spending Affordability Guidelines for the FY17 Operating Budget

## Background

1. Section 305 of the Charter and Chapter 20-60 of the 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. Chapter 20-61 of the County Code 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 January 26, 2016, 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 proposed ceiling on the aggregate operating budget and the agency allocations in millions of dollars are:

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| Debt Service | $ 399.4 |
| Current revenue, specific projects | $ 69.9 |
| Current revenue, PAYGO | $ 34.0 |
| Retiree health insurance prefunding | $ 109.9 |
| MCPS | $2,225.0 |
| Montgomery College | $ 171.9 |
| County Government | $1,456.1 |
| M-NCPPC | $ 119.1 |
| Total = Aggregate Operating Budget | $4,585.2 |

**Action**

The County Council for Montgomery County approves the following resolution:

1. The spending affordability guidelines for the FY17 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:

| | |
|---|---|
| Debt Service | $ 399.4 |
| Current revenue, specific projects | $ 69.9 |
| Current revenue, PAYGO | $ 34.0 |
| Retiree health insurance prefunding | $ 109.9 |
| MCPS | $2,225.0 |
| Montgomery College | $ 171.9 |
| County Government | $1,456.1 |
| M-NCPPC | $ 119.1 |
| Total = Aggregate Operating Budget | $4,585.2 |

c) Notwithstanding the above, the Council intends that any agency spending allocations which, as a result of additional increases in State aid, exceed the ceilings specified in (b) do not trigger the requirements of §20-63(b).

2. The Council's intent is that $8.7 million of the County Government's allocation will be appropriated for Community Grants (this amount excludes Community Service Grants, Montgomery Cares Grants, and Cost-Sharing CIP Grants).

This is a correct copy of Council action.

Linda M. Lauer

Linda M. Lauer, Clerk of the Council