



OFFICE OF MANAGEMENT AND BUDGET

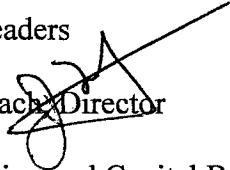
Isiah Leggett
County Executive

Joseph F. Beach
Director

MEMORANDUM

July 1, 2011

TO: Interested Readers

FROM: Joseph F. Beach  Director

SUBJECT: FY12 Operating and Capital Budgets
Amendments to the FY11-16 Capital Improvements Program (CIP)

These volumes contain the Approved FY12 Operating and Capital Budgets and Amendments to the FY11-16 Capital Improvements Program (CIP) for Montgomery County. In accordance with the law, the County Council, after receiving the recommendations of the County Executive and the advice of interested parties through public hearings and other means, approved the Budgets on May 26, 2011, for the fiscal year that begins on July 1. These Budgets reflect the judgment of the County Executive and the County Council on how best to provide a level of services and capital investment commensurate with the expectations of Montgomery County residents at affordable and fair levels of taxation.

The total FY12 Operating Budget from all sources of funds is \$4.37 billion, an increase of \$95.9 million or 2.2 percent from the Approved FY11 Budget. Because Capital Budget appropriations can be made for multiple fiscal years, comparisons from one fiscal year to the next do not provide useful information.

As detailed in the Budget Highlights and in the appropriate departmental sections, these Budgets continue to support the County's priority objectives including:

- A Responsive and Accountable County Government
- Affordable Housing in an Inclusive Community
- An Effective and Efficient Transportation Network
- Children Prepared to Live and Learn
- Healthy and Sustainable Communities
- Safe Streets and Secure Neighborhoods
- A Strong and Vibrant Economy
- Vital Living for All of Our Residents

Office of the Director

July 1, 2011

Page 2

This Budget, approved at the County Charter limit on property taxes, is balanced primarily through targeted expenditure reductions and restructuring employee compensation. No major tax increases are included. The Charter limit on property taxes is reached through a 4.2 cent tax rate increase combined with a tax credit of \$692 per owner-occupied residential household to maintain a progressive property tax structure. Structural changes to employee health insurance and retirement plans will create on-going savings in FY12 and into the future. Selected fee increases cover rising program costs and modest improvements. Tax supported reserves are fully funded at the County's policy levels, retiree health insurance pre-funding is resumed after a two-year suspension, CIP Paygo is funded at the policy level, and increased funding is set aside for storm cleanup and snow removal costs.

In order to reduce costs and minimize our use of paper, we have provided an abbreviated version of the Operating Budget for each County Government Department. You may view a more detailed description of each department's budget by visiting the Office of Management and Budget webpage at www.montgomerycountymd.gov/omb.

You are invited to read the contents of these volumes for a description of the Approved Operating and Capital Budgets and the descriptions of the amendments to the FY11-16 CIP. Please call the Office of Management and Budget at (240)777-2800 for further information. This information is also available on the Internet on the Montgomery County home page at www.montgomerycountymd.gov/omb.

JFB:df