



OFFICE OF MANAGEMENT AND BUDGET

Isiah Leggett
County Executive

Jennifer A. Hughes
Director

MEMORANDUM

July 1, 2012

TO: Interested Readers

FROM: Jennifer A. Hughes, Director
J. Hughes
Office of Management and Budget

SUBJECT: FY13 Operating and Capital Budgets
FY13-18 Capital Improvements Program (CIP)

These volumes contain the Approved FY13 Operating and Capital Budgets and the FY13-18 Capital Improvements Program (CIP) for Montgomery County. In accordance with the law and after receiving the recommendations of the County Executive and the advice of interested parties through public hearings and other means, the County Council approved the budgets on May 24, 2012, 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 FY13 Operating Budget from all sources of funds is \$4.61 billion, an increase of \$245.6 million or 5.6 percent from the Approved FY12 Budget. Because Capital Budget appropriations can be made for multiple fiscal years, comparisons of the Capital Budget 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

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July 1, 2012

Page 2

This Budget includes a 4.5 cent property tax rate increase and a property tax credit of \$692 per owner-occupied residential household, which maintains a progressive property tax structure. Because of declining assessments, property tax revenues remain level with FY12, and below the County Charter limit. After five years of no growth in County Government tax supported program spending, this Budget strategically restores some of the most critical and important services, particularly in the public safety area, that were dramatically reduced as the County faced serious budget challenges. Selected fee increases cover rising program costs and modest improvements. Tax supported reserves are fully funded and CIP Paygo is funded at the policy level. Additionally, retiree health insurance payments are increased and expected to reach full funding as planned by FY15.

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 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.

JAH:df