

#15 - Aggregate Operating Budget - Requires 6 Affirmative Votes

Resolution No:	<u>15-1476</u>
Introduced:	<u>May 25, 2006</u>
Adopted:	<u>May 25, 2006</u>

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

By: County Council

Subject: Approval of the FY 2007 Aggregate Operating Budget

Background

1. Section 305 of the County Charter requires the affirmative vote of 7 Councilmembers to approve the aggregate operating budget if that budget exceeds the adopted spending affordability guidelines then in effect. Section 305 excludes from the aggregate operating budget:
 - Specific grants;
 - Enterprise Funds;
 - Tuition and tuition-related charges at Montgomery College;
 - Washington Suburban Sanitary Commission.
2. Section 20-60 of the County Code requires the Council to set spending affordability guidelines by resolution no later than the third Tuesday in December. The guidelines must specify a ceiling on property taxes for FY 2007, and a ceiling on the aggregate operating budget for FY 2007. Section 20-60 also permits the Council to revise the guidelines: not later than the second Tuesday after the General Assembly adjourns its regular session each year, the Council may amend the resolution establishing the guidelines to reflect a significant change in conditions. An amendment may increase or decrease any guideline. However, any increase of a guideline must not exceed the projected net increase in available resources since the guideline was adopted, applying the tax rates that were assumed in adopting that guideline and considering the rates of any tax approved or repealed since that guideline was adopted.
3. Section 305 of the Charter requires that at least 6 Councilmembers must approve the aggregate operating budget if that budget exceeds the budget for the preceding year by more than the rate of inflation, as measured by the annual average increase in the Consumer Price Index for all urban consumers in the Washington-Baltimore Metropolitan area for the 12-month period

preceding December 1, which was 4.2 percent for the 12-month period preceding December 1, 2005.

4. In Resolution No. 15-1262, adopted December 13, 2005, the Council adopted the following spending affordability guideline for the FY 2007 aggregate operating budget:
 - the ceiling on the aggregate operating budget \$3,332.1 million

5. In Resolution No. 15-1401, adopted on April 18, 2006, the Council revised the guidelines:
 - the revised ceiling on the aggregate operating budget \$3,412.2 million

6. On May 26, 2005, in Resolution 15-1020, the Council approved the FY 2006 aggregate operating budget in the amount of \$3,061.5 million. If that aggregate operating budget increased at the 4.2% rate of inflation for the 12-month period preceding December 1, 2005, it would be \$3,190.1 million.

Action

The County Council for Montgomery County, Maryland approves the following resolution:

The Council approves the FY 2007 aggregate operating budget in the amount of \$3,402.4 million, as calculated on the attached page. Because the FY 2007 aggregate operating budget does not exceed the final revised spending affordability guideline ceiling of \$3,412.2 million, 7 affirmative votes are not required to adopt this resolution. Because the FY 2007 aggregate operating budget exceeds the FY 2006 aggregate operating budget, as increased for inflation, of \$3,190.1 million, 6 affirmative votes are required to adopt this resolution.

This is a correct copy of Council action.



Elda M. Dodson, CMC
Acting Clerk of the Council

The FY 07 aggregate operating budget, which excludes enterprise funds, specific grants, and tuition and tuition-related charges at the College, is calculated as follows.

Fund or District	Appropriation
General Fund	\$ 859,068,310
Fire District	178,021,060
Economic Development Fund	3,447,380
Mass Transit	105,650,420
Recreation District	28,443,890
Urban Districts	6,707,120
MCPS	1,724,404,964
Montgomery College	180,167,038
MNCPPC:	
Administration Fund	24,491,200
Park Fund	65,051,160
Debt service	224,191,590
Current revenue for the Capital Budget	34,952,000
Current Revenue for PAYGO	26,400,000
Total Appropriations	3,460,996,132
Less College Tuition and Tuition-Related Charges	(58,572,362)
AGGREGATE OPERATING BUDGET	3,402,423,770
SUMMARY:	
MCPS	1,724,404,964
College, Total	180,167,038
Less College Tuition & Tuition-Related Charges	(58,572,362)
College, Net	121,594,676
County Government	1,181,338,180
MNCPPC	89,542,360
Debt Service for Co. Gov., MCPS, College, Parks	224,191,590
Total Current Revenue for Capital Budget	61,352,000
Total Appropriations	3,460,996,132
AGGREGATE OPERATING BUDGET	3,402,423,770