



OFFICE OF MANAGEMENT AND BUDGET

Isiah Leggett
County Executive

Joseph F. Beach
Director

MEMORANDUM

July 14, 2010

TO: Interested Readers

FROM: Joseph F. Beach, *Director*

SUBJECT: FY11 Operating and Capital Budgets
FY11-16 Capital Improvements Program (CIP)

These volumes contain the Approved FY11 Operating and Capital Budgets and 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 27, 2010, for the fiscal year that began 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 FY11 Operating Budget from all sources of funds is \$4.27 billion, a decrease of \$203.2 million or 4.5 percent from the Approved FY10 Budget. ¹ 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

¹ Excluding the FY10 double appropriation of \$79.5 million for payment of debt service for construction of Montgomery County Public Schools facilities, the total FY11 Operating Budget from all sources of funds is a reduction of \$123.6 million or 2.8 percent from the Approved FY10 Budget.

- 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

This Budget, approved at the County Charter limit on property taxes, is balanced through a combination of expenditure restraint and revenue adjustments. A tax credit of \$692 per owner-occupied residential household partially offsets rising property assessments to provide tax relief for our residents. To preserve essential services and maintain reserves at existing policy levels, it was necessary to increase the fuel energy tax beginning in May 2010. The County Executive intends to sunset this tax rate increase at the end of FY12. In addition, the tax on wireless phones was also increased in the FY11 budget. The Emergency Medical Transport Fee was instituted for FY11 to provide continuing resources for Fire and Rescue apparatus and other needs. Tax Supported reserves are funded at the County's existing policy level to provide for unforeseen contingencies.

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 Capital and Operating Budgets and the descriptions of 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