

"Federation Corner" column  
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### **The proposed FY 2006 County Operating Budget: costly to the taxpayer!**

*better solutions are needed*

By Chuck Lapinski  
Chair, MCCF Public Finance and Utilities Committee

The MCCF March program will focus on issues in the Executive's proposed FY 2006 Operating Budget for the county. This will be submitted to the County Council on Tuesday, March 15th, the day after our March meeting. Even though we will not have the proposed budget to work with, there are a large number of problems and issues that we need to understand in preparation for developing and submitting our testimony for the first week of April. The County Council begins hearings on the proposed operating budget the week prior to our April meeting.

Invited panelists include members of the County Council: President Tom Perez, and Marilyn Praisner, Chair of the Council's Management and Fiscal Policy Committee. It also includes representatives from the Executive Branch: Joe Beach from the Executive's Staff; a manager from the County Office of Management and Budget (OMB); and Derek Berlage, Chairman of the Park and Planning Commission. They will address the following areas:

Council's exercise of its oversight and accountability responsibilities

Trends and growth in revenue sources

- Personal income taxes: receipts heading higher
- Property taxes and assessments: huge reassessments
- Construction impact taxes and fees
- Other miscellaneous taxes and fees: receipts trending up

Operating budget cost drivers

- Employee total compensation: need for a review
- Benefits: health costs continue to rise in both the public and private sectors
- Productivity improvements
- Process and equipment capitalization

Reserve Fund (rainy day) accounts: time to rebuild

Affordability process, prudence and discipline

- Priorities and constraints
- Short term perspective: avoiding long term implications
- Budget optimism and realism: waiting for a prudence miracle!

Early indications suggest that every source of revenue will continue to increase at least for the next year or two, which is a significant turnaround from the past several years.

The biggest increases will come from property and income taxes. This follows several years of increasing rates and fees. In some areas, notably education, expenditures should actually slow down. This year, enrollment was lower than projected. For more than ten years, the school enrollment increased more than 3,000 students per year. This year the increase was less than a third of what was projected. So, you would expect some cost avoidance (savings!) from the lower enrollment rate. So far this has not happened. The school system, for instance, wants to spend over \$3 million on personal digital assistants (Palm Pilots, Blackberrys) for the teachers. The school system has not even run a pilot program to determine their productivity usefulness; nor

has it sought the Council's permission to reprogram these funds. Moreover, MCPS is prepared to award a contract for the PDAs without competitive bidding. Thus there are some major accountability issues that must be addressed. With respect to the park system, like several other departments and agencies, it was a bill payer for the schools and the public safety services. Heavy maintenance and services expansion consistent with our growth were curtailed. It may be time to catch up on maintenance of the parks infrastructure, and reconsider how the parks' needs are met in the budget process

Given that there is a flush revenue situation, the decisions we make about our capital and operating budgets must be guided by prudence, and the principle of fairness and equitableness to the taxpayers, to the schools and to county employees.

Our objective is to gain some insight into what this proposed budget will mean to you, the county citizen and taxpayer, and how we should guide its prudent use.

MCCF meets the second Monday of each month (next one March 14) at 7:45 PM. 3rd Floor Auditorium, County Council Office Building, 100 Maryland Ave, Rockville, MD. These meetings are open to the public and everyone is welcome.

### **Recommendations on new Zoning Text Amendment creating TOMX zone**

by Jim Humphrey,  
MCCF District 1 VP

In the resolution approved at the February 14 meeting, delegates agreed to recommend to the Council that the following four changes be made to the proposed ZTA 05-02 creating a new Transit-Oriented Mixed Use Zone, the "TOMX" zone:

- Specify a maximum building height in feet for the Optional Method.
- Establish a minimum required setback from any adjacent single-family residential zone for Optional Method development (or specify that it is not allowed).
- While supporting the 20% public use space requirement for Optional Method, we think 10% for Standard Method is too low (unless there is also minimum required "active and passive recreational space" for projects with a residential component) and strongly oppose a reduction to 5% in projects with MPDUs. We think there is no less need for light, space and air around buildings with MPDUs in them than for other residential buildings.
- MCCF recommends establishing a maximum dwelling-unit-per-acre density for Standard and Optional Method. If you are creating a new zone to allow mixed use at medium density levels, then a density cap should be placed not just on FAR but on the number of dwelling units per acre.