



*Queen
Anne's
County*

**OFFICE OF BUDGET, FINANCE, AND
INFORMATION TECHNOLOGY**

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County Commissioners:

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Jack Wilson, District 1
Stephen Wilson, District 2
Robert Charles Buckey, District 3
Mark A. Anderson, District 4

*County Administrator: Gregg A. Todd
Director of Budget & Finance: Jonathan R. Seeman
Chief Treasury Officer: Marie Lange*

DATE: Monday, October 31, 2016
TO: County Commissioners
CC: Gregg A. Todd, County Administrator
FROM: Spending Affordability Committee / Jonathan R. Seeman
RE: Final Report of the Spending Affordability Committee, FY2018

The Spending Affordability Committee, established by Ordinance 15-11 in 2015, became effective this fiscal year. It is comprised of three to five members of the community as recommended by the County Administrator and Director of Budget, Finance and Information Technology. This year's inaugural membership includes:

- Anne MacKinnon, former State Delegate and Prince George's County Councilwoman;
- John Wilson, Local Business Owner; and,
- Joe Zimmerman, Treasurer, National Capital Park and Planning Commission; former Queen Anne's County Director of Finance

Their charge was to recommend spending affordability guidelines which consider the FY2018 operating budget, sustainable debt service, budget forecasts, fund balance and an optimal six year capital program. Three meetings were held in the past six weeks and what follows are the executive summary with recommendations and the materials presented to the Committee to assist them in their discussions and decision making

The Committee began with background information relating to the County's demographics and local economy (see Appendix). Data included unemployment rates,



income levels, and demographics. In looking at the County's history of assessable property value, it is quite apparent that property values have been essentially flat for the period of 2011-estimated 2018. Prior to that time, the County relied on two sources of revenue which provided annual growth. Since the recession, only income tax has served as a growth factor. This creates considerably greater uncertainty in the budget process and in long range forecasting.

One of the key elements of the Committee's work was to review the County's debt policies in the context of both short and long term affordability. The County has established 3 measures of debt policy—per capita debt, debt as a percentage of assessable base, and debt service as a percentage of annual revenues. The Committee recommended several changes to the threshold amounts for the measures to strengthen the County's position relative to affordability. They also adopted a new measure which factored in income levels when considering per capita debt.

The County's total fund balance is made up of several components, among them the Rainy Day Fund, the "Special Fund", funds assigned for the following year's budget, and "unassigned" or unrestricted funds. The County had used up virtually all of its fund balance during the recession; since FY2011 the total fund balance has grown by about a factor of five, the County reestablished the Rainy Day Fund and completely funds it. The Committee did have some discussion about appropriating the Rainy Day Fund, which it does not do currently. No conclusion was reached but it could be a matter of continued discussion.

The discussion of the capital budget centered on several related themes: the 6 year CIP should reflect real analysis and consideration of future capital needs; the plan should also incorporate operating budget impacts from capital projects; and the operating budget revenue and expenditure forecasts should also cover six years. Of course there is a direct relationship between the debt issues previously discussed and the capital budget, whose major funding source is through General Obligation bonds. The Committee strengthened the debt measures, sending a strong message regarding future capital budgets. This message is reinforced by the declining capital fund balance. After several years of use in the \$3-6 million range, there is at this time virtually no capital fund balance available for use in FY2018.

FINAL SET OF RECOMMENDATIONS – FY2018

- Recommendation 1: Devise a realistic Capital Improvement Plan (CIP) that adheres to current service demands, provides for long-term planning, and is in line with latest revision of the County's debt capacity policy.
- Static spending per capita is not believed to be an appropriate measure of debt capacity because over time it will not account for a given county's general wealth,

Recommendation 2: tie the per capita debt threshold (currently at \$3,000 per capita) to currently defined per capita income each year as reported by the U.S. Bureau of Labor Statistics or similar agency. This measure shall be a ratio of per capita income to total outstanding general fund debt. Maximum threshold of income to outstanding debt shall be 8%.

- Recommendation 3: Change the current 12% debt service to total general fund expenditures ratio to “10% debt service to total general fund expenditures ratio over a three-year period with a maximum of 12% in any one year.”
- Recommendation 4: In preparing the CIP, and prior to issuing debt, there shall be due consideration of future operating costs resulting from the capital improvement, which shall be captured on the Capital Budget Request Forms. If applicable, a 6-year operating forecast shall be established for each project in the plan.
- Recommendation 5: With regard to the FY2018 operating budget and all future operating budgets, expenditure growth shall not exceed the rate of growth of estimated revenues.
- Recommendation 6: No more than one of the three measures may be violated (up to 10% over) in any given year. If such an occasion arises, the operating and/or capital budgets shall be revised to bring measures back in line.
- Recommendation 7: Pursue solid capital planning conforming to the status of measures longer-term.
- Recommendation 8: Committee reiterates that fund balance should only be used for non-recurring expenditures.
- Recommendation 9: Increase Rainy Day Fund required balance from 7% of operating revenues to 8% of operating revenues of the prior year.
- Recommendation 10: Rename "Special Fund" to "Revenue Stabilization Fund" and set maximum balance to 5% of operating revenues of the prior year. Keep annual transfer to \$1 million per year until reaching the 5% cap.
- Recommendation 11: Only use "unassigned" operating fund balance for infrastructure needs and one-time capital improvements as programmed in the CIP.
- Recommendation 12: Any recommendation not accepted must be explained in the budget resolution.

APPENDICES

1. Volume I of Committee material
2. Volume 2 of Committee material
3. New debt measure based on wealth
4. Forecast assumptions
5. Fund balance history
6. FY2017-22 Capital Improvement Program
7. Ordinance 15-11
8. Rainy Day Fund proposed amendments
9. Special Fund proposed adjustments
10. Debt policy revisions

Appendix I: Volume I of Committee Material



PRESENTATION TO:

**Queen Anne's County
Affordability Committee**

SEPTEMBER 20, 2016

VOLUME 1



CURRENT STATE OF QUEEN ANNE'S ECONOMY

OVERVIEW: The County's economy is experiencing strong growth in labor markets and income, housing, hospitality, and commercial industries.

Labor Markets and Personal Income

- The County's unemployment rate decreased to 4.1% in June 2016 from 4.6% a year earlier. 4.1% is below the State average of 4.6%.
- 2014 Personal Income was up 0.6% from 2013.

Housing

- Market has been strong in the past several years.
- Total sold dollar volume increased by 84% since 2010.
- Total units sold has increased by 88% since 2010.
- The median sold price increased by 1% since 2010.

Hospitality Industry

- Fisherman's Village at Kent Narrows:
 - Will generate 103 additional hotel rooms
 - 100 new jobs
- The Gardens at Queen Anne:
 - Newly constructed 52 room hotel and retail center
 - 125 new jobs expected
 - 21 room expansion in approval phase
 - Phase II would potentially add additional hotel and retail/restaurant facilities

Commercial Growth

- Power Electronics, Inc. adds outdoor staging area as the result of the Economic Development Incentive Fund (EDIF) grant
- Development in the Matapeake Business Park continues:
 - Completed 70,000 +/- s.f. Deerfield Building now occupied by NRL and Associates, Inc.
 - Acquired 100,000 +/- s.f. building to be occupied by expanding Hydrasearch, Inc.
 - Project underway for new building (Growth Allocation) – additional 96,000 s.f.
- Other Commercial Expansions:
 - Club One Natatorium
 - Blackwater Distilling, Inc.
 - Patriot Fire
 - Harbor Sales
 - Ebb Tide Rentals



UNEMPLOYMENT RATES

- Queen Anne's County unemployment rates have historically been the lowest of Maryland's Eastern Shore counties
- The County's unemployment rates have also been below the State's.
- Many residents of the County commute across the Bay Bridge to work in Anne Arundel County and the Baltimore / Washington area.

	2010	2011	2012	2013	2014	2015	2016*
Maryland	7.6%	7.3%	7.0%	6.6%	5.8%	5.2%	4.6%
Caroline	9.2	8.7	7.7	7.0	6.2	5.6	5.1
Dorchester	11.4	11.1	10.8	9.8	8.4	7.4	6.8
Kent	8.8	8.1	7.6	7.2	6.4	5.5	5.2
Queen Anne's	7.3	6.8	6.3	5.9	5.1	4.6	4.1
Somerset	11.9	11.7	11.3	10.8	9.5	8.3	7.5
Talbot	8.0	7.5	7.2	6.5	5.5	5.1	4.6
Wicomico	9.8	9.8	9.4	8.7	7.7	6.9	6.3
Worcester	13.4	13.8	13.0	12.6	11.5	10.6	10.4

*Through June

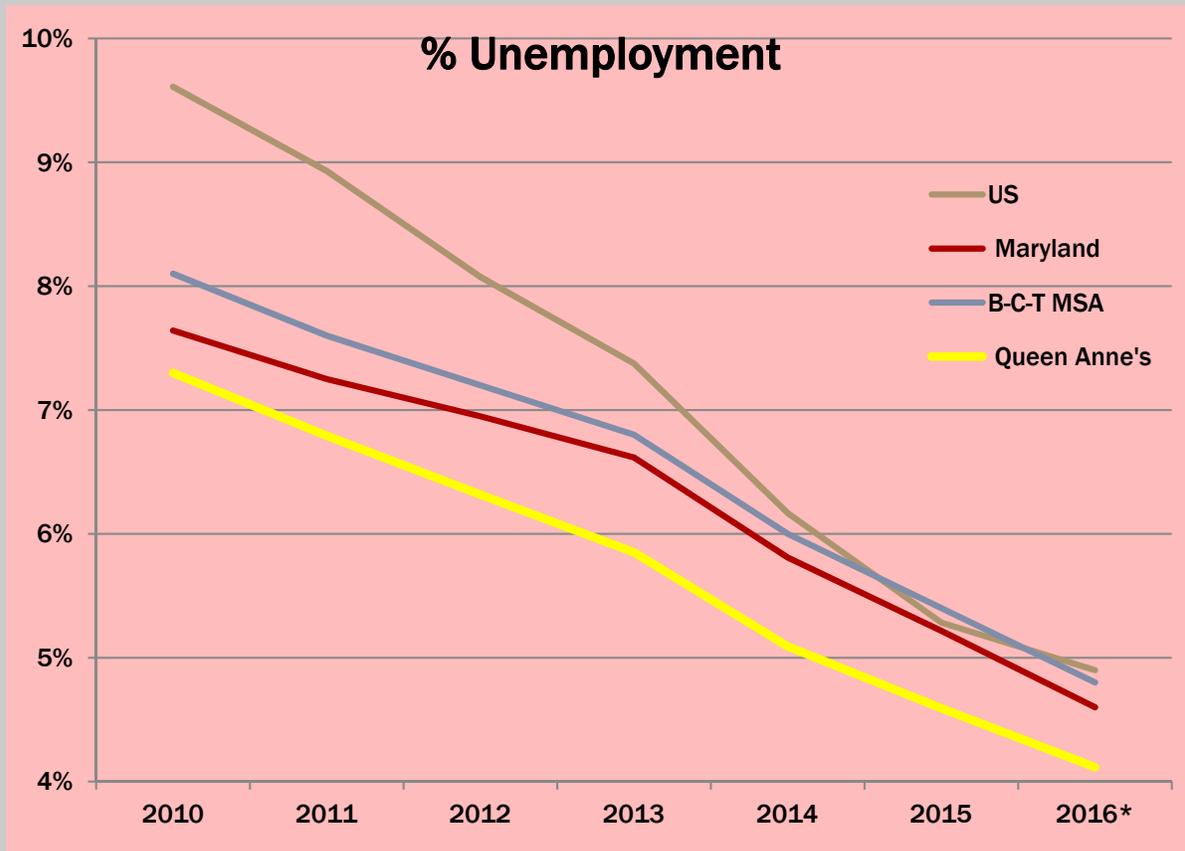
Source: MD Department of Labor, Licensing, and Regulation
Division of Workforce Development and Adult Learning



UNEMPLOYMENT

Queen Anne's County unemployment rates are consistently below the US, the State of Maryland, and the Baltimore-Columbia-Towson Metropolitan Statistical Area.

	2010	2011	2012	2013	2014	2015	2016*
Maryland	7.6	7.3	7.0	6.6	5.8	5.2	4.6
Queen Anne's	7.3	6.8	6.3	5.9	5.1	4.6	4.1
US	9.6	8.9	8.1	7.4	6.2	5.3	4.9
B-C-T MSA	8.1	7.6	7.2	6.8	6.0	5.4	4.8





PER CAPITA INCOME

- The County has the 6th highest per capita income in the State.

Per Capita Personal Income by County, 2012 - 2014

	Per capita personal income ¹			Percent change from preceding period ²			
	Dollars			Rank in State	Percent change		Rank in State
	2012	2013	2014		2013	2014	
United States	44,266	44,438	46,049	-	0.4	3.6	-
Maryland	53,078	52,545	54,176	-	-1.0	3.1	-
Allegany	33,826	34,469	35,943	23	1.9	4.3	3
Anne Arundel	58,393	57,890	59,574	4	-0.9	2.9	13
Baltimore	53,004	52,348	53,949	5	-1.2	3.1	10
Calvert	52,495	51,982	53,566	7	-1.0	3.0	11
Caroline	38,151	39,812	41,065	19	4.4	3.1	9
Carroll	51,572	51,751	53,200	8	0.3	2.8	18
Cecil	39,660	40,029	41,632	18	0.9	4.0	5
Charles	49,596	49,222	50,582	11	-0.8	2.8	20
Dorchester	38,251	39,041	39,974	20	2.1	2.4	23
Frederick	51,191	51,153	52,554	9	-0.1	2.7	21
Garrett	40,365	40,772	42,936	16	1.0	5.3	1
Harford	49,668	49,332	50,817	10	-0.7	3.0	12
Howard	66,891	65,887	67,605	2	-1.5	2.6	22
Kent	47,403	49,057	50,419	12	3.5	2.8	19
Montgomery	73,909	71,474	73,483	1	-3.3	2.8	16
Prince George's	43,347	43,250	44,465	15	-0.2	2.8	17
Queen Anne's	52,524	52,533	53,705	6	0.0	2.2	24
St. Mary's	49,101	48,855	50,234	13	-0.5	2.8	15
Somerset	27,099	28,349	29,389	24	4.6	3.7	6
Talbot	60,285	61,360	63,111	3	1.8	2.9	14
Washington	38,429	38,608	39,887	21	0.5	3.3	7
Wicomico	35,203	35,719	37,187	22	1.5	4.1	4
Worcester	48,802	48,032	49,592	14	-1.6	3.2	8
Baltimore City	40,353	40,609	42,428	17	0.6	4.5	2

1. Per capita personal income was computed using Census Bureau midyear population estimates. Estimates reflect county population estimates available as of March 2015.

2. Percent change was calculated from unrounded data.

Source: U.S. Bureau of Economic Analysis

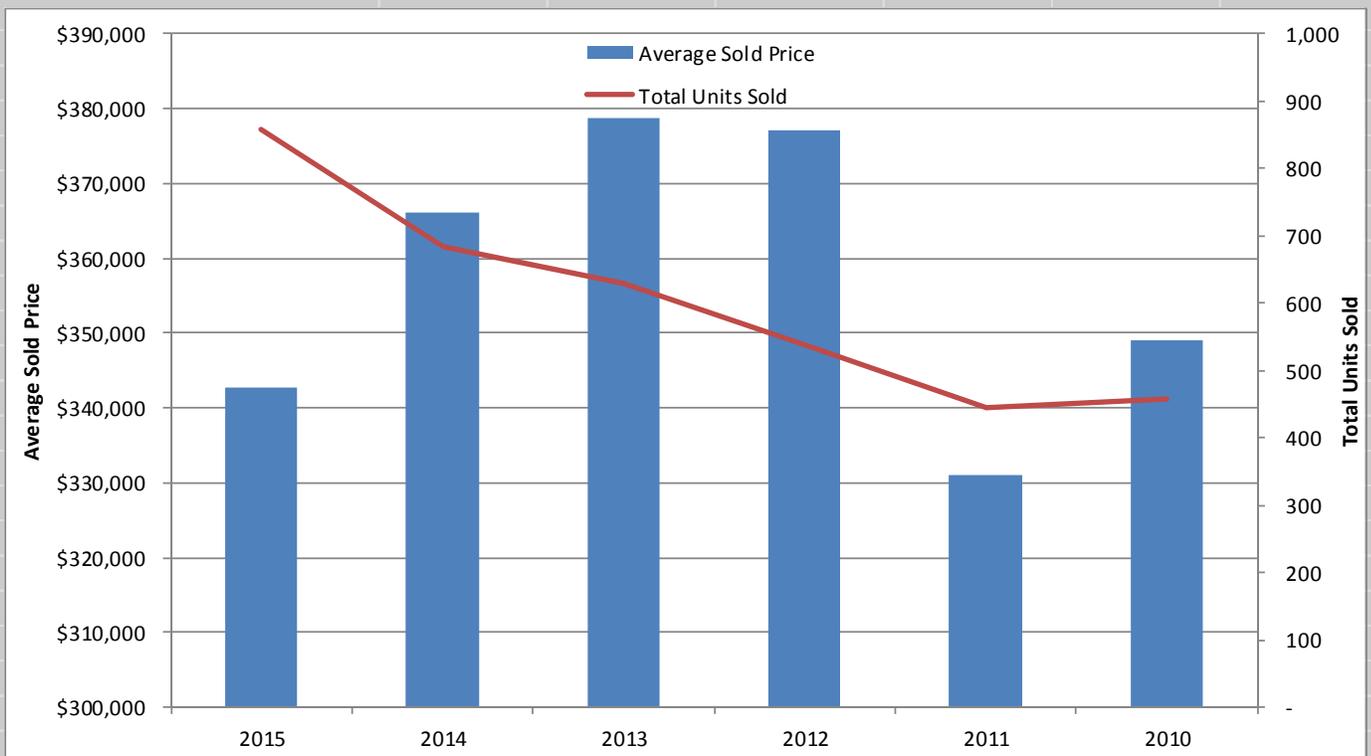


HOUSING MARKET

- Resale volume has increased by 88% over the last six completed calendar years.
- Median sold price is stagnating.

	Calendar Year 2015	Calendar Year 2014	Calendar Year 2013	Calendar Year 2012	Calendar Year 2011	Calendar Year 2010
Total Sold Dollar Volume	\$ 293,968,384	\$ 250,069,738	\$ 238,573,627	\$ 203,294,217	\$ 147,274,902	\$ 159,548,323
Average Sold Price	\$ 342,620	\$ 366,134	\$ 378,688	\$ 377,169	\$ 330,955	\$ 349,121
Median Sold Price	\$ 282,625	\$ 298,124	\$ 300,000	\$ 285,500	\$ 252,500	\$ 280,000
Total Units Sold	858	683	630	539	445	457
Average Days on Market	153	159	163	179	198	173
Average List Price	\$ 367,344	\$ 380,205	\$ 397,697	\$ 412,963	\$ 353,058	\$ 373,818
Avg Sale Price as % of Avg Orig. List Price	87.6%	90.4%	89.7%	83.3%	86.5%	86.4%

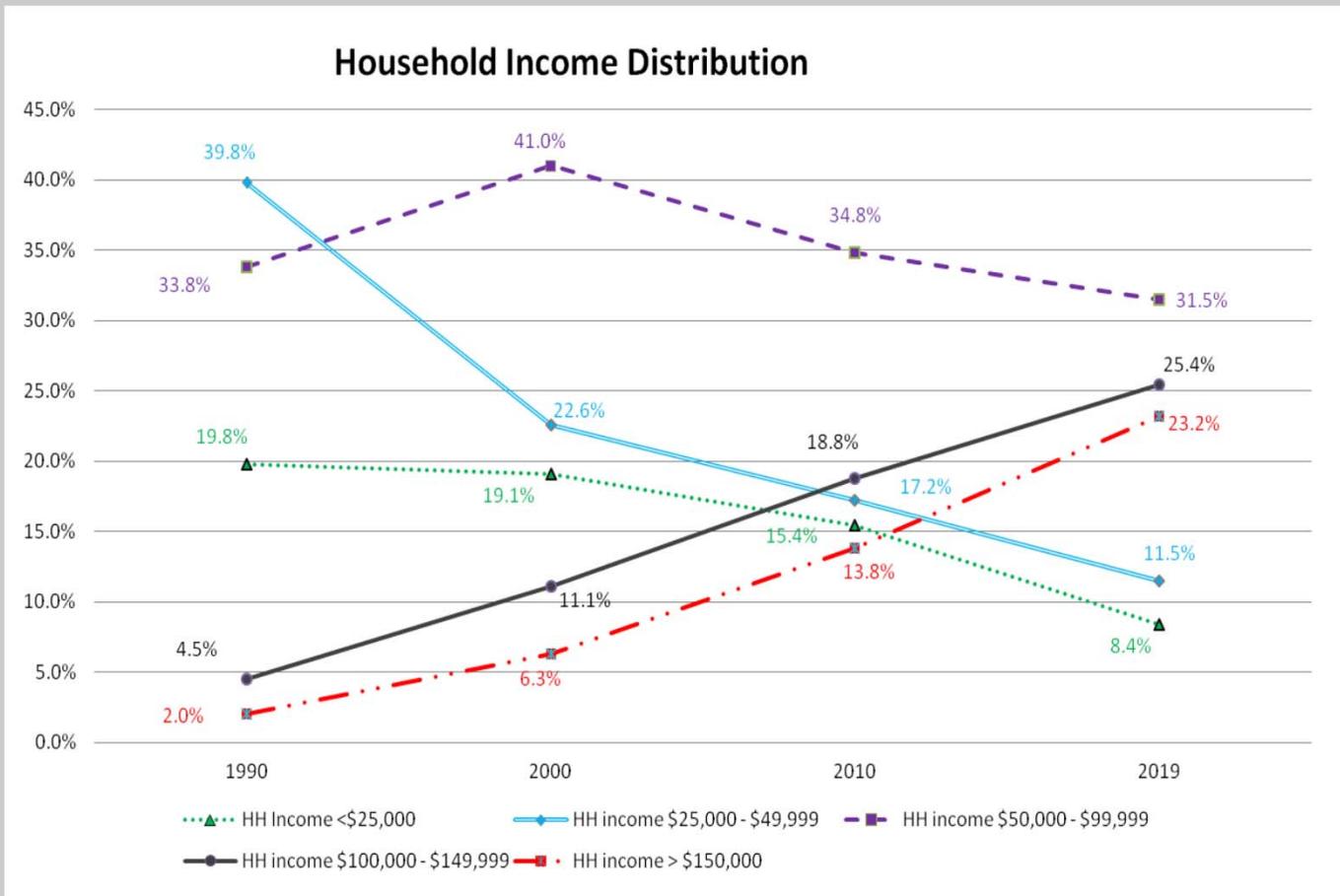
Source: Metropolitan Regional Information Systems, Inc - MLS Resale Data, July 2016





QUEEN ANNE'S COUNTY 2010 DEMOGRAPHICS

The strongest growth is in higher income levels, above \$100K.

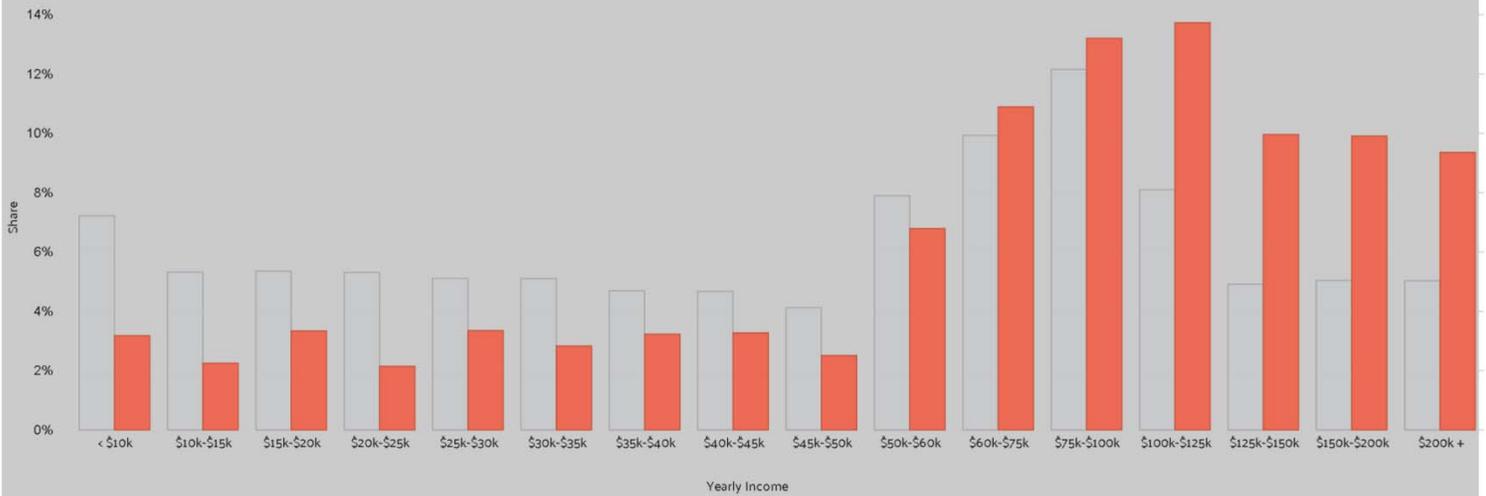




QUEEN ANNE'S COUNTY INCOME DEMOGRAPHICS

Household Income in Queen Anne's County

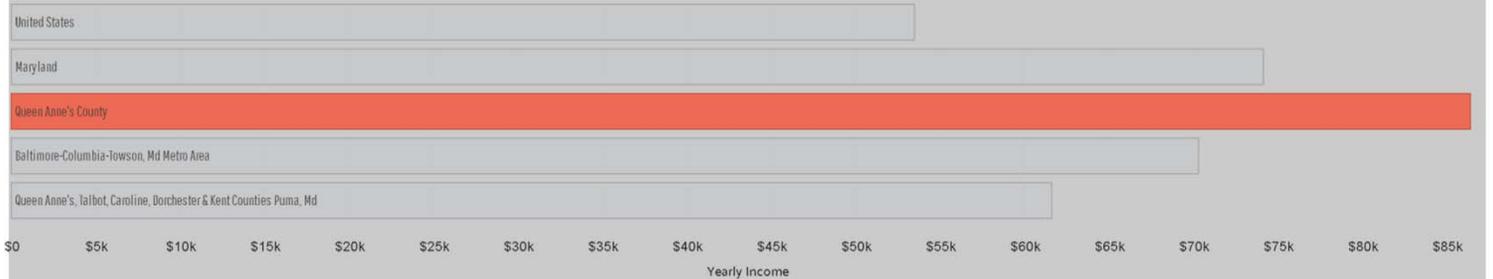
Please note that the buckets used in this visualization were not evenly distributed by ACS when publishing the data.



Dataset: ACS 5-year Estimate
Source: Census Bureau

DATAUSA:

Median Household Income in Queen Anne's County



Dataset: ACS 5-year Estimate
Source: Census Bureau

DATAUSA:

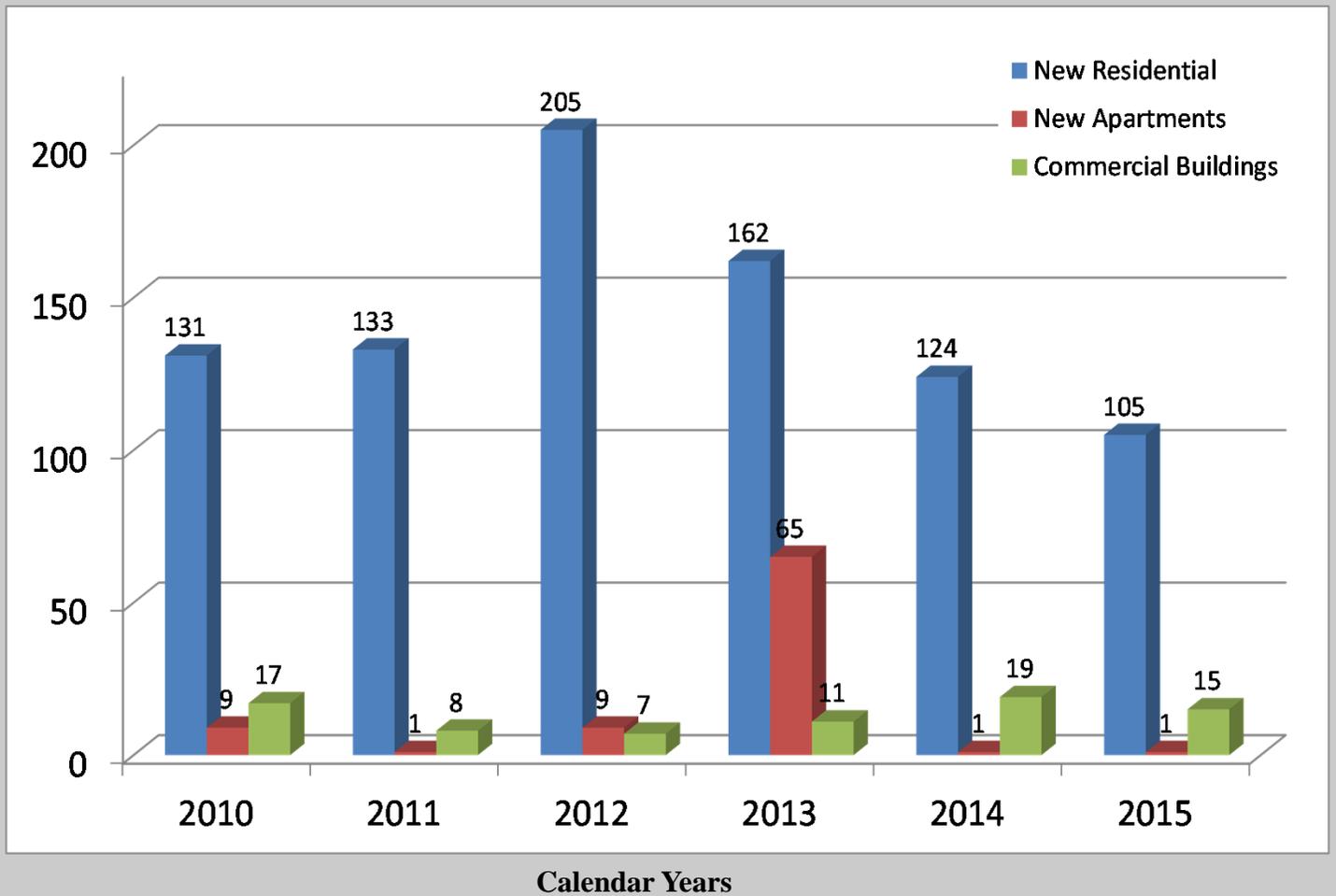


QUEEN ANNE'S COUNTY COMPARISON 2010 DEMOGRAPHICS

	QA County	Kent County	Eastern Shore	State
% change in population since 2000	17.8%	8.9%	13.2%	8.7%
% change in # of households since 2000	17.6%	11.0%	14.2%	8.0%
Avg HH income	\$89,619	\$59,474	\$60,800	\$83,182
HH below poverty level in 2009	6.2%	14.4%	10.5%	7.9%
% of adults 25+ not having completed HS	10.6%	15.2%	14.2%	11.7%
Owner occupied HH with no mortgage	21.4%	39.4%	21.9%	23.0%
Median age	42.7	45.1	42.3	38.3
Avg HH Consumer spending	\$96,308	\$72,202	\$70,176	\$93,887



BUILDING PERMITS



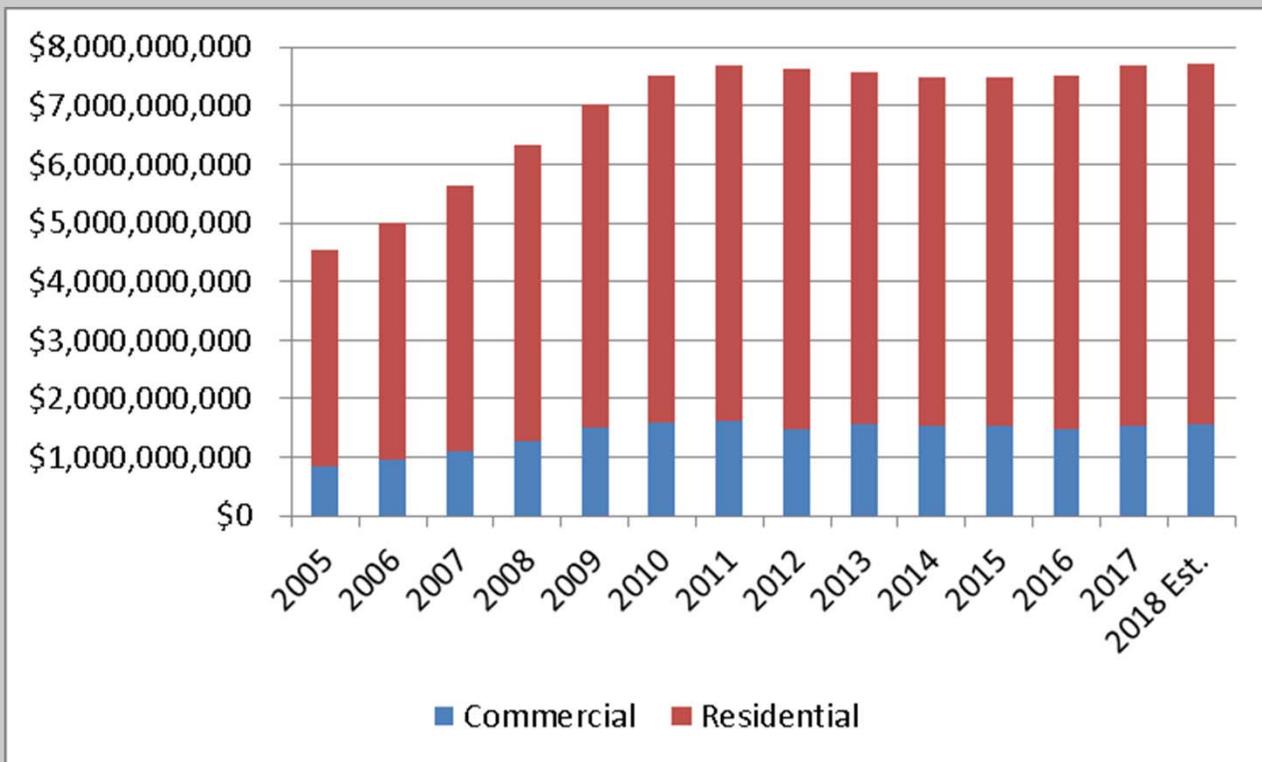
QAC Department of Planning and Zoning



REAL PROPERTY ASSESSED VALUE

FISCAL YEARS 2005 - 2018

Fiscal Year	Net Assessable Real Property Tax Base		
	Commercial	Residential	Total
2005	\$ 849,272,884	\$ 3,690,010,496	\$ 4,539,283,380
2006	950,694,704	4,051,000,772	5,001,695,476
2007	1,104,093,458	4,526,502,291	5,630,595,749
2008	1,291,356,759	5,045,464,776	6,336,821,535
2009	1,503,024,419	5,518,534,961	7,021,559,380
2010	1,606,785,131	5,911,287,556	7,518,072,687
2011	1,625,886,760	6,054,844,995	7,680,731,755
2012	1,485,091,345	6,139,645,414	7,624,736,759
2013	1,567,115,297	5,990,170,828	7,557,286,125
2014	1,540,562,905	5,935,284,963	7,475,847,868
2015	1,526,533,795	5,971,094,589	7,497,628,384
2016	1,492,795,587	6,026,836,894	7,519,632,481
2017	1,527,442,719	6,169,197,262	7,696,639,981
2018 Est.	1,575,412,000	6,134,344,000	7,709,756,000





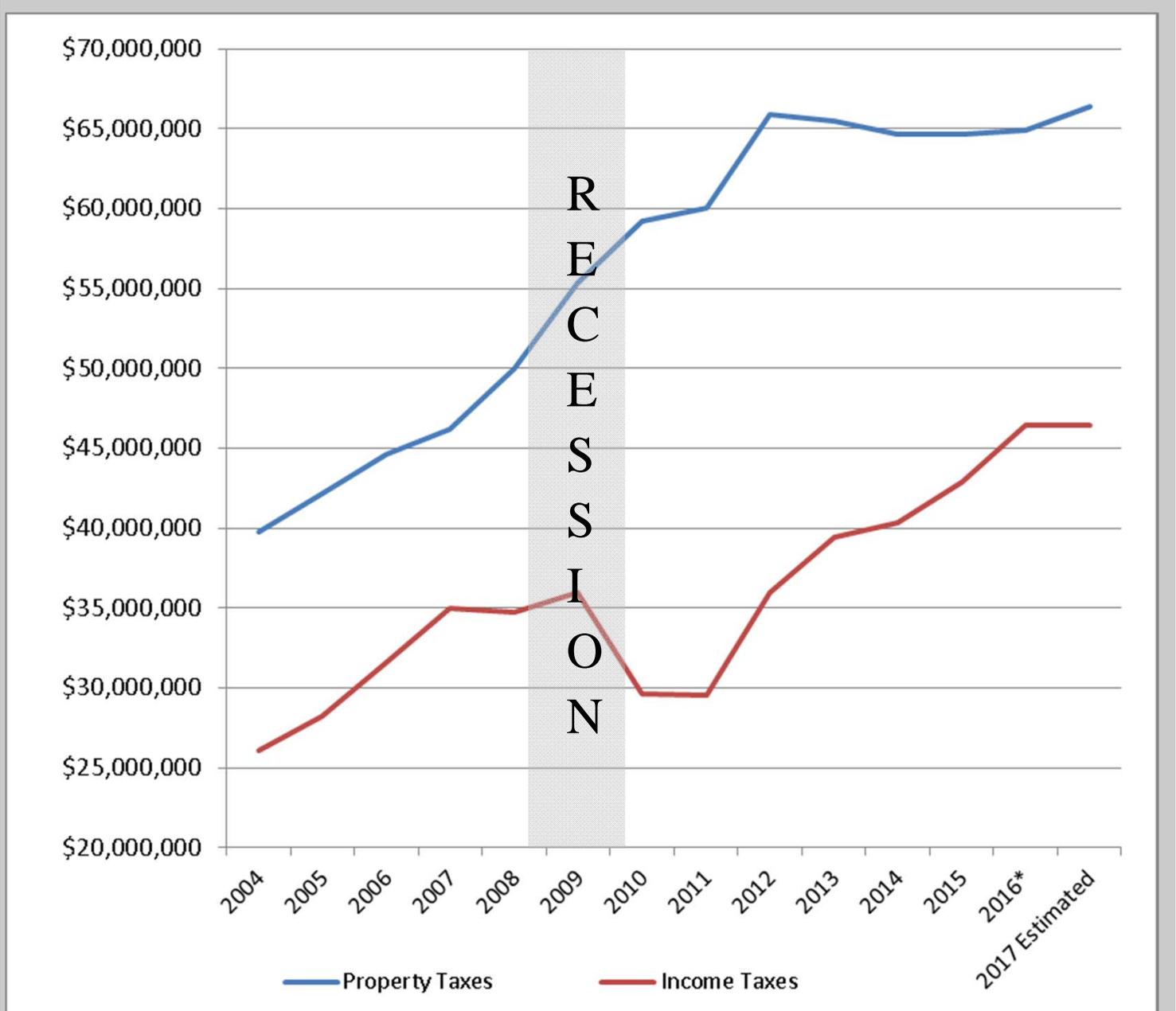
GENERAL FUND REVENUE FISCAL YEARS 2012 - 2017

Revenues:	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Actual*	FY17 Budgeted
Property Taxes	\$ 65,881,777	\$ 65,516,659	\$ 64,666,451	\$ 64,643,520	\$ 64,912,515	\$ 66,145,298
Income Taxes	35,969,879	39,438,906	40,326,921	42,889,715	46,424,552	46,448,552
Other Local Taxes	3,205,771	4,407,013	4,312,570	5,352,498	6,129,051	7,631,855
State Shared Taxes	269,363	478,900	466,734	518,326	611,835	576,410
Licenses & Permits	877,365	1,004,774	1,080,891	615,401	624,571	637,500
Intergovernmental Revenue	2,382,014	2,588,810	2,256,950	2,117,843	2,161,036	2,189,589
Service Charges & Miscellaneous	3,320,729	3,606,619	3,151,025	3,261,256	3,412,605	3,258,140
Other Financing Sources	<u>2,322,972</u>	<u>60,149</u>	<u>211,412</u>	<u>401,390</u>	<u>518,186</u>	<u>2,551,782</u>
Total Revenues	<u>\$ 114,229,870</u>	<u>\$ 117,101,830</u>	<u>\$ 116,472,954</u>	<u>\$ 119,799,949</u>	<u>\$ 124,794,351</u>	<u>\$ 129,439,126</u>

*Unaudited

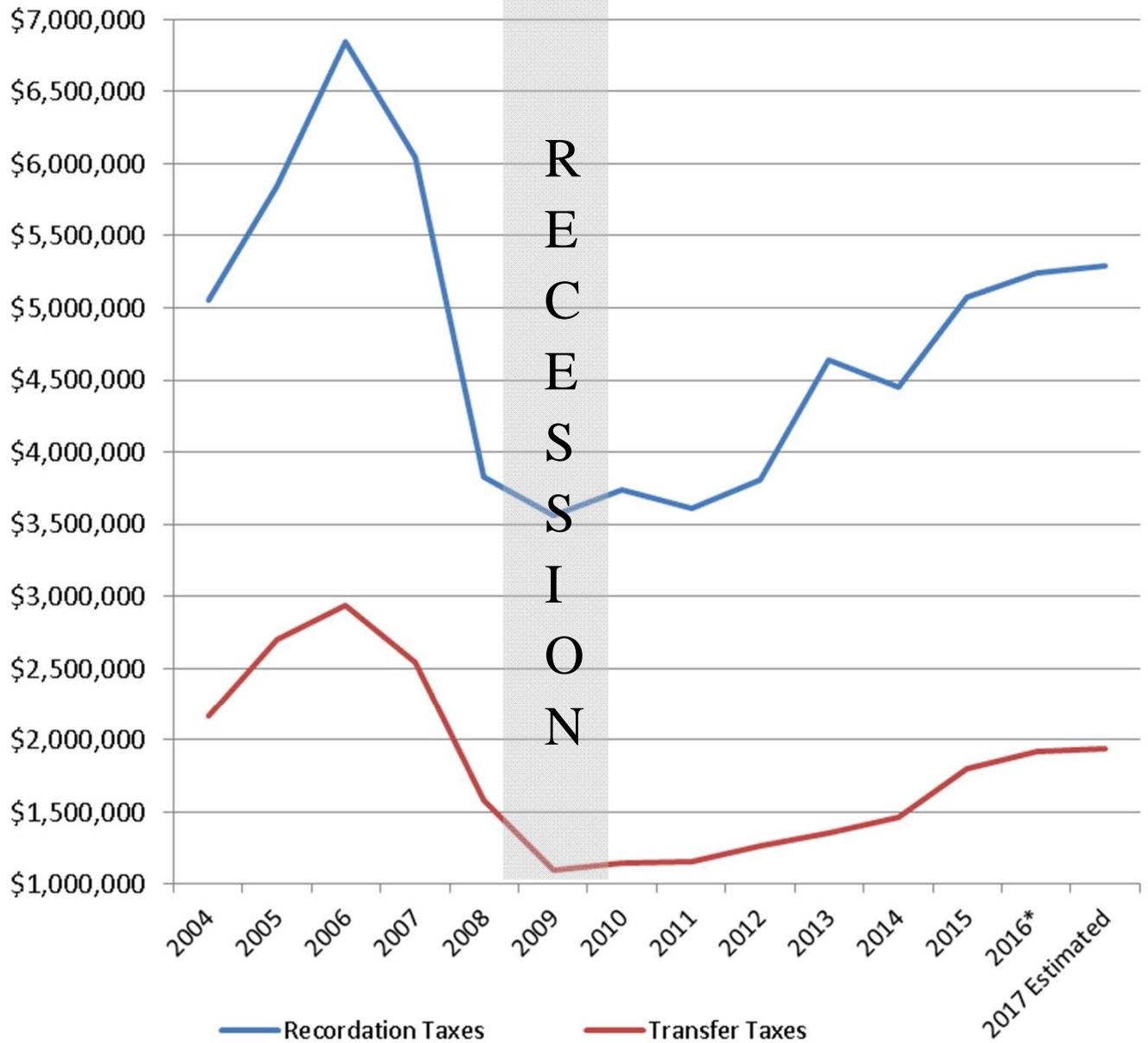


PROPERTY AND INCOME TAX REVENUE GENERAL FUND Fiscal Years 2004 - 2017





RECORDATION AND TRANSFER TAX REVENUE ALL FUNDS Fiscal Years 2004 - 2017





GENERAL FUND EXPENDITURES FISCAL YEARS 2011 - 2017

Expenditures:	<u>FY11 Actual</u>	<u>FY12 Actual</u>	<u>FY13 Actual</u>	<u>FY14 Actual</u>	<u>FY15 Actual</u>	<u>FY16 Actual⁴</u>	<u>FY17 Budgeted</u>
General Government	\$ 9,789,937	\$ 8,879,396	\$ 8,748,273	\$ 9,558,654	\$ 7,081,681	\$ 7,840,346	\$ 8,551,666
Public Safety	20,845,220	20,573,121	20,564,983	21,353,765	21,929,943	22,422,111	23,868,389
Public Works	2,988,764	5,782,205	6,165,905	6,854,294	8,458,784	8,963,325	9,880,624
Parks	2,373,537	1,662,548	1,962,712	2,090,831	2,754,492	3,084,285	3,349,196
Health	1,670,222	1,604,462	1,811,402	2,030,740	1,822,856	2,087,130	2,278,485
Social Services	284,865	253,854	272,534	282,134	284,474	297,616	310,692
Education	49,691,877	45,226,524	46,527,373	49,831,672	53,020,064	54,645,127	55,656,850
Library	1,433,725	1,277,993	1,278,228	1,310,250	1,432,500	1,597,000	1,684,820
Conservation of Natural Resources	531,968	529,080	542,043	606,934	517,319	629,210	578,325
Economic/Community Development (1)	1,027,499	490,021	414,404	431,860	-	-	267,116
Community Affairs (2)	-	-	-	-	279,687	307,515	959,105
Recreation (3)	-	-	479,153	492,700	505,892	578,736	588,402
Debt Service	10,449,169	11,033,968	10,566,756	10,633,576	11,247,009	10,790,529	11,899,300
Intergovernmental / Non-Departmental	234,171	594,777	593,703	436,349	302,377	1,266,404	1,305,391
Miscellaneous	4,465,281	3,109,925	3,162,959	2,766,068	3,233,208	3,534,083	3,358,274
Total Expenditures before Transfers	105,786,235	101,017,874	103,090,428	108,679,827	112,870,286	118,043,417	124,536,635
Transfers to Other Funds	2,922,343	7,829,993	11,163,397	5,359,016	4,154,321	3,850,157	4,902,493
Total Expenditures	\$108,708,578	\$108,847,867	\$114,253,825	\$114,038,843	\$117,024,607	\$121,893,574	\$ 129,439,128

(1) For FY15 & FY16, Economic Development, Tourism & QAC-TV were in separate funds and were not accounted for in the General Fund.

(2) Beginning in FY15, Community Affairs is a new department within the General Fund and includes Tourism and QAC-TV in FY17.

(3) Prior to FY13, Recreation expenses were recorded in Enterprise Funds.

(4) FY16 is UNAUDITED.



GENERAL FUND

REVENUE & EXPENDITURES

FISCAL YEARS 2006 - 2017

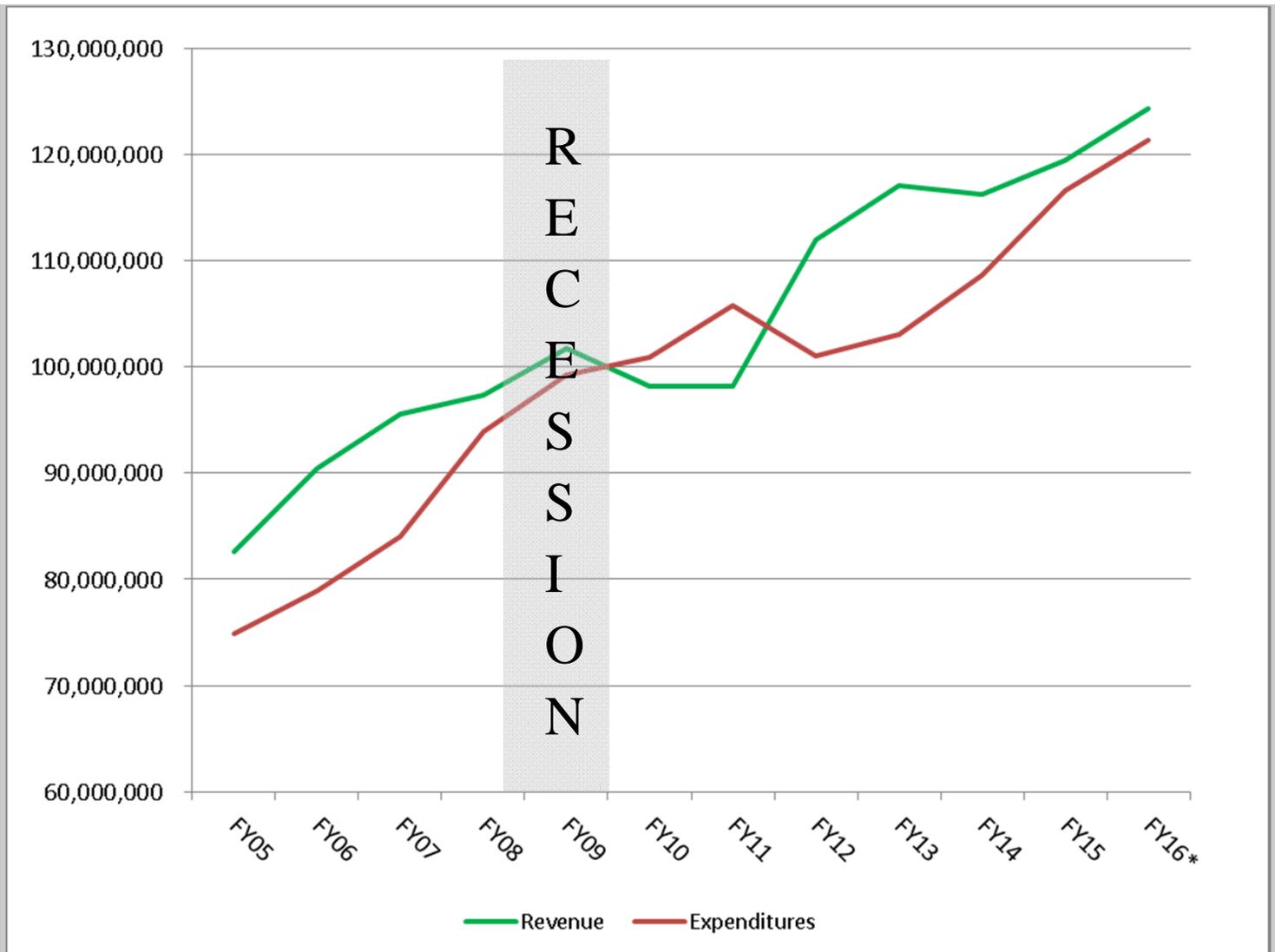
	<u>FY06 Actual</u>	<u>FY07 Actual</u>	<u>FY08 Actual</u>	<u>FY09 Actual</u>	<u>FY10 Actual</u>	<u>FY11 Actual</u>
Total Revenues	\$ 90,431,678	\$ 95,559,872	\$ 97,370,605	\$ 101,715,137	\$ 98,204,464	\$ 98,175,421
Total Expenditures	78,890,464	84,075,908	93,941,870	99,209,112	100,865,342	105,786,235
Other Financing Sources (Uses):	<u>(237,802)</u>	<u>(10,154,488)</u>	<u>(12,950,787)</u>	<u>(401,660)</u>	1,666,545	(601,774)
Surplus / (Deficit)	11,303,412	1,329,476	(9,522,052)	2,104,365	(994,333)	(8,212,588)
Beginning Fund Balance	<u>9,810,242</u>	<u>21,113,654</u>	<u>22,443,130</u>	<u>12,921,078</u>	<u>15,025,443</u>	<u>14,031,110</u>
Ending Fund Balance	<u>\$ 21,113,654</u>	<u>\$ 22,443,130</u>	<u>\$ 12,921,078</u>	<u>\$ 15,025,443</u>	<u>\$ 14,031,110</u>	<u>\$ 5,818,522</u>
	<u>FY12 Actual</u>	<u>FY13 Actual</u>	<u>FY14 Actual</u>	<u>FY15 Actual</u>	<u>FY16 Actual*</u>	<u>FY17 Budgeted</u>
Total Revenues	\$ 111,906,898	\$ 117,041,681	\$ 116,261,542	\$ 119,398,559	\$ 124,276,165	\$ 126,887,344
Total Expenditures	101,017,874	103,090,428	108,679,827	112,870,286	118,043,417	124,536,635
Other Financing Sources (Uses):	<u>(5,507,021)</u>	<u>(11,103,248)</u>	<u>(5,147,604)</u>	<u>(3,752,931)</u>	<u>(3,331,971)</u>	<u>(2,350,711)</u>
Surplus / (Deficit)	5,382,003	2,848,005	2,434,111	2,775,342	2,900,777	-
Beginning Fund Balance	<u>5,818,522</u>	<u>12,799,094</u>	<u>15,987,396</u>	<u>18,421,507</u>	<u>21,196,849</u>	<u>24,097,626</u>
Consolidation of other funds into General Fund (1)	<u>1,598,569</u>	<u>340,297</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending Fund Balance	<u>\$ 12,799,094</u>	<u>\$ 15,987,396</u>	<u>\$ 18,421,507</u>	<u>\$ 21,196,849</u>	<u>\$ 24,097,626</u>	<u>\$ 24,097,626</u>

(1) In FY12, the Roads Operating Fund was consolidated in with the General Fund.

In FY13, Property Management and Programs Enterprise Funds were consolidated in with the General Fund.



GENERAL FUND REVENUE & EXPENDITURES FISCAL YEARS 2005 - 2016





GENERAL FUND FUND BALANCE FISCAL YEARS 2011 - 2016

	<u>FY11 Actual</u>	<u>FY12 Actual</u>	<u>FY13 Actual</u>	<u>FY14 Actual</u>	<u>FY15 Actual</u>	<u>FY16 Estimate*</u>
Nonspendable	\$ 4,000	\$ 555,215	\$ 626,122	\$ 480,385	\$ 687,777	\$ 586,481
Restricted	333,798	340,670	8,111,614	8,375,368	8,681,112	9,002,386
Committed	657,068	695,944	-	1,157,360	2,000,000	3,000,000
Assigned	70,000	-	1,284,657	1,284,875	2,034,875	1,926,782
Unassigned	<u>4,753,656</u>	<u>11,207,265</u>	<u>5,965,003</u>	<u>7,123,519</u>	<u>7,793,085</u>	<u>9,581,977</u>
Total Fund Balance	<u>\$ 5,818,522</u>	<u>\$ 12,799,094</u>	<u>\$ 15,987,396</u>	<u>\$ 18,421,507</u>	<u>\$ 21,196,849</u>	<u>\$ 24,097,626</u>

Note: FY16 is current unaudited estimate as of Sept 16, 2016. Expect changes.



PRESENTATION TO:

**Queen Anne's County
Affordability Committee**

SEPTEMBER 20, 2016

VOLUME 2



REVENUE FORECAST

GENERAL FUND REVENUE FORECAST								
REVENUES	<i>Actual</i>				<i>Budgeted</i>	<i>Projected</i>		
	FY13	FY14	FY15	FY16*	FY17	FY18	FY19	FY20
Taxes								
Local Property Tax	65,516,659	64,666,451	64,643,520	64,912,515	66,145,298	66,013,007	66,673,137	67,339,869
Local Income Tax	39,438,906	40,326,921	42,889,715	46,424,552	46,448,552	48,745,780	49,964,424	51,213,535
Admission and Amusement Taxes	160,516	155,336	155,396	169,679	158,100	170,000	171,700	173,417
Recordation Taxes	3,100,826	2,978,677	3,399,247	4,044,013	4,568,755	4,614,443	4,660,587	4,707,198
Transfer Taxes	675,532	730,587	1,797,855	1,915,339	1,925,000	1,944,250	1,963,693	1,983,329
Highway User	478,900	466,734	518,326	611,835	576,410	600,000	550,000	550,000
Franchise Fee	-	-	-	-	450,000	460,000	475,000	485,000
Hotel Taxes	470,139	447,970	-	-	530,000	510,000	525,000	530,000
Licenses and Permits	1,004,774	1,080,891	615,401	624,570	637,500	650,000	650,000	650,000
Intergovernmental	2,588,810	2,256,950	2,117,843	2,161,054	2,189,589	2,200,000	2,200,000	2,200,000
Miscellaneous Revenue	996,008	1,015,716	1,167,897	718,183	994,080	975,000	975,000	975,000
Charges for Current Services	2,574,951	2,252,711	2,170,142	2,605,422	2,213,545	2,644,503	2,670,948	2,697,658
Investment Income	73,201	53,640	56,231	89,003	50,516	85,000	85,000	85,000
Subtotal - Revenues	117,079,222	116,432,584	119,531,573	124,276,165	126,887,345	129,611,983	131,564,489	133,590,001
Transfers In	22,608	40,370	268,376	518,186	1,450,000	1,200,000	1,200,000	1,200,000
Fund Balance	-	-	-	-	1,101,782	-	-	-
TOTAL REVENUES	117,101,830	116,472,954	119,799,949	124,794,351	129,439,127	130,811,983	132,764,489	134,790,001
% Change in Revenues before Transfers in and Fund Balance	4.59%	-0.55%	2.66%	3.97%	6.15%	2.15%	1.51%	1.54%
% Change in Total Revenues	2.51%	-0.54%	2.86%	4.17%	8.05%	1.06%	1.49%	1.53%



EXPENDITURE FORECAST

GENERAL FUND EXPENDITURE FORECAST	<i>Actual</i>				<i>Budgeted</i>	<i>Projected</i>		
	FY13	FY14	FY15	FY16*		FY17	FY18	FY19
Salaries **	18,958,949	19,582,673	20,420,614	22,264,790	23,580,293	24,523,505	24,523,505	25,504,445
Fringe Benefits ***	8,901,384	8,639,435	9,120,684	9,321,396	11,433,393	12,005,063	12,605,316	13,235,582
Operating Costs	13,074,346	15,479,804	14,259,820	15,076,284	16,549,597	16,715,093	16,882,244	17,051,066
Debt Service	10,566,756	10,633,577	11,247,009	11,163,242	11,899,300	11,662,000	13,372,723	14,271,693
Transfers (Roads, Fund Balance, Capital)	11,163,397	5,359,017	4,154,321	3,911,797	4,502,493	4,637,568	4,776,695	4,919,996
Retiree Health/OPEB	1,668,781	1,687,767	1,865,552	2,174,411	2,281,819	2,675,218	3,108,508	3,557,722
Teacher Pension	1,105,527	1,401,286	1,497,849	1,763,314	0	0	0	0
Board of Education	43,754,524	46,730,398	49,730,398	51,086,979	54,187,293	55,000,102	55,825,104	56,662,480
Board of Education-Total	44,860,051	48,131,684	51,228,247	52,850,293	54,187,293	55,000,102	55,825,104	56,662,480
College/Library	2,945,550	3,010,238	3,224,317	3,391,834	3,554,377	3,661,008	3,770,839	3,883,964
Intergovernmental/Other Costs	2,114,611	1,514,648	1,504,043	1,739,527	1,450,563	1,486,827	1,523,998	1,562,098
TOTAL EXPENDITURES	114,253,825	114,038,843	117,024,607	121,893,574	129,439,128	132,366,384	136,388,930	140,649,045
REVENUE	117,101,830	116,472,954	119,799,949	124,794,351	129,439,128	130,811,983	132,764,489	134,790,001
Surplus/Deficit (Revenue Less Expenditures)	2,848,005	2,434,111	2,775,342	2,900,777	0	-1,554,401	-3,624,441	-5,859,045
% Change in Total Expenditures	4.97%	-0.19%	2.62%	4.16%	3.42%	2.26%	3.04%	3.12%

** Salary increases are projected at 4.0% in FY18, FY19, and FY20

*** Increase 5% per year

Debt Service in Sustainable Plan

BOE increase 1.5% per year



EFFECT OF "GREAT RECESSION" ON COUNTY PROPERTY AND INCOME TAX REVENUE

Property & Income Taxes 2006 through 2016

	Property	Property δ	Income	Income δ	Comments
2006	44,688,709		31,959,096		
2007	46,185,050	3.3%	35,346,494	10.6%	
2008	50,021,587	8.3%	35,700,111	1.0%	Recession Begins (Dec)
2009	55,362,114	10.7%	34,834,937	-2.4%	
2010	59,267,240	7.1%	25,715,247	-26.2%	Recession Ends (Jul)
2011	60,070,368	1.4%	30,624,679	19.1%	
2012	65,937,415	9.8%	34,028,234	11.1%	
2013	65,591,225	-0.5%	35,769,303	5.1%	Jeffrey Rank: Effect on income is fairly "immediate"
2014	64,712,683	-1.3%	40,899,804	14.3%	
2015	64,672,721	-0.1%	44,643,870	9.2%	Jeffrey Rank: Effect on property is comes several years later due to slow assessment changes
2016	64,912,515	0.4%	46,424,552	4.0%	

DID YOU KNOW...

Average Time Span (Years) In Between Recessions in 20th Century: 4.71 Years

Length of Time (Years) Between Early 2000s Recession & "Great Recession" 6.08 Years

Length of Time Since Our Last Recession: 7.16 Years



RECESSION HISTORY

When will the next recession be? The last recession ended in 2010. Average range between recessions in 20th century was 4.7 years

If a recession were to occur within the next two years, we might expect a revenue loss of over \$11,000,000 during the recession (or first few years) and losses of over \$3,000,000 in the few years thereafter.

Over the past two decades we have gone from having property taxes as our largest revenue source, by far, to now having income creep up to become a much larger source of revenue. During recessions, we have a risk of losing much more income tax revenue, and much quicker, than property tax revenue which is more stable.

Year of Recession	Duration	Since Prev. Recession	Recession GDP	QAC Property Tax	QAC Income Tax	QAC Prop Tax Rate	QAC Inc Tax Rate
1929	3 yrs	2 yrs	-27.0%				
1937	1 yr	4 yrs	-18.0%				
1945	1 yr	7 yrs	-12.7%				
1949	1 yr	4 yrs	-1.7%				
1953	1 yr	3 yrs	-2.1%				
1958	1 yr	4 yrs	-3.7%				
1960	1 yr	2 yrs	-1.6%				
1969	1 yr	9 yrs	-0.6%				
1973	1 yr	3 yrs	-3.2%				
1980	1/2 yr	7 yrs	-2.0%				2.85%
1981							2.85%
1982	1 yr	2 yrs	-2.7%				2.85%
1983							2.85%
1984							2.85%
1985							2.85%
1986							2.85%
1987							2.85%
1988							2.85%
1989							2.85%
1990	1 yr	8 yrs	-1.4%				2.85%
1991							2.85%
1992							2.85%
1993							2.85%
1994						0.8700	2.85%
1995				4.6%	20.8%	0.8700	2.85%
1996				5.4%	10.9%	0.8700	2.85%
1997				13.4%	9.5%	0.9500	2.85%
1998				-1.6%	12.9%	0.9000	2.85%
1999				1.2%	13.2%	0.8760	2.85%
2000				5.1%	3.9%	0.8760	2.85%
2001	1 yr	10 yrs	-0.3%	17.1%	11.0%	0.9760	2.85%
2002				7.3%	8.0%	0.9760	2.85%
2003				7.3%	1.3%	0.9760	2.85%
2004				9.9%	18.0%	0.9760	2.85%
2005				5.9%	8.0%	0.9260	2.85%
2006				6.1%	6.7%	0.8700	2.85%
2007				3.3%	10.6%	0.8000	2.85%
2008	2 yrs	7 yrs	-5.1%	8.3%	1.0%	0.7700	2.85%
2009				10.7%	-2.4%	0.7700	2.85%
2010				7.1%	-26.2%	0.7700	2.85%
2011				1.4%	19.1%	0.7671	2.85%
2012				9.8%	11.1%	0.8471	3.025%
2013				-0.5%	5.1%	0.8471	3.20%
2014				-1.3%	14.3%	0.8471	3.20%
2015				-0.1%	9.2%	0.8471	3.20%
2016*				2.3%	8.2%	0.8471	3.20%

Difficult to get data for these years



TOTAL GENERAL OBLIGATION DEBT

As of June 30, 2016:

- Governmental Activities General Obligation Bonds Outstanding Before Issuance of Current Issue-
\$115,064,972
- **Governmental Activities Notes Outstanding -
\$1,913,200**

Assumptions for Debt Issuance in FY17 – FY23:

Date of Issue: January 1

First Interest Payment: July 1

First Principal Payment: July 1 of following year

Interest Rate: Graduated rate adjustment
4% to 5 %



GENERAL OBLIGATION DEBT SERVICE ESTIMATES

SCENARIO 1 – “SUSTAINABLE PLAN” DEBT SERVICE ESTIMATES

	FY17	FY18	FY19	FY20	FY21	FY22	FY23
Existing Debt Service (Principal & Interest)	\$ 12,466,139	\$ 11,480,329	\$ 11,498,761	\$ 11,455,802	\$ 9,700,402	\$ 9,705,902	\$ 9,718,098
Less: Reimbursements from Ches College & Housing Auth	(746,681)	(747,701)	(748,126)	(751,295)	(524,791)	(525,145)	(525,368)
Adjusted Debt Service	\$ 11,719,458	\$ 10,732,628	\$ 10,750,635	\$ 10,704,507	\$ 9,175,611	\$ 9,180,757	\$ 9,192,730
Plus Estimated Debt Service for:							
FY17 Issuance of \$12.6 million	-	929,000	927,000	929,400	926,000	927,000	927,200
FY18 Issuance of \$19.9 million	-	-	1,459,588	1,461,693	1,462,650	1,462,459	1,461,119
Det Center - \$2 million total (FY18)	-	-	147,500	147,300	147,000	146,600	148,600
BOE Facility Assmt - \$1.2 million (FY18)	-	-	88,000	88,400	88,720	88,960	89,120
FY19 Issuance of \$11.6 million	-	-	-	852,393	852,393	851,771	855,707
BOE Facility Assmt - \$1.2 million (FY19)	-	-	-	88,000	88,400	88,720	88,960
FY20 Issuance of \$10.0 million	-	-	-	-	736,667	736,533	735,867
BOE Facility Assmt - \$1.2 million (FY20)	-	-	-	-	88,000	88,400	88,720
FY21 Issuance of \$10.0 million	-	-	-	-	-	736,667	736,533
BOE Facility Assmt - \$1.2 million (FY21)	-	-	-	-	-	88,000	88,400
FY22 Issuance of \$10.0 million	-	-	-	-	-	-	736,667
BOE Facility Assmt - \$1.2 million (FY22)	-	-	-	-	-	-	88,000
FY23 Issuance of \$10.0 million	-	-	-	-	-	-	-
BOE Facility Assmt - \$1.2 million (FY23)	-	-	-	-	-	-	-
Total Debt Service (Estimated)	\$ 11,719,458	\$ 11,661,628	\$ 13,372,723	\$ 14,271,693	\$ 13,565,441	\$ 14,395,867	\$ 15,237,623
	FY17	FY18	FY19	FY20	FY21	FY22	FY23
Existing Debt Service (Principal & Interest)	\$ 12,466,139	\$ 11,480,329	\$ 11,498,761	\$ 11,455,802	\$ 9,700,402	\$ 9,705,902	\$ 9,718,098
Less: Reimbursements from Ches College & Housing Auth	(746,681)	(747,701)	(748,126)	(751,295)	(524,791)	(525,145)	(525,368)
Adjusted Debt Service	\$ 11,719,458	\$ 10,732,628	\$ 10,750,635	\$ 10,704,507	\$ 9,175,611	\$ 9,180,757	\$ 9,192,730
Plus Estimated Debt Service for:							
FY17 Issuance of \$12.6 million	-	929,000	927,000	929,400	926,000	927,000	927,200
FY18 Issuance of \$19.9 million	-	-	1,459,588	1,461,693	1,462,650	1,462,459	1,461,119
Det Center - \$4 million total (FY18)	-	-	295,000	294,600	294,000	293,200	297,200
BOE Facility Assmt - \$2.6 million (FY18)	-	-	190,667	191,533	192,227	192,747	193,093
FY19 Issuance of \$11.6 million	-	-	-	852,393	852,393	851,771	855,707
BOE Facility Assmt - \$5.7 million (FY19)	-	-	-	418,000	419,900	421,420	422,560
FY20 Issuance of \$12.0 million	-	-	-	-	884,000	883,840	883,040
BOE Facility Assmt - \$3.2 million (FY20)	-	-	-	-	234,667	235,733	236,587
FY21 Issuance of \$10.0 million	-	-	-	-	-	733,333	736,667
BOE Facility Assmt - \$10.0 million (FY21)	-	-	-	-	-	733,333	736,667
FY22 Issuance of \$10.0 million	-	-	-	-	-	-	736,667
BOE Facility Assmt - \$4.5 million (FY22)	-	-	-	-	-	-	331,500
FY23 Issuance of \$10.0 million	-	-	-	-	-	-	-
BOE Facility Assmt - \$5.3 million (FY23)	-	-	-	-	-	-	-
Total Debt Service (Estimated)	\$ 11,719,458	\$ 11,661,628	\$ 13,622,890	\$ 14,852,126	\$ 14,441,447	\$ 15,915,594	\$ 17,010,737

SCENARIO 2 – “AGGRESSIVE PLAN” DEBT SERVICE ESTIMATES



TOTAL GENERAL OBLIGATION DEBT ESTIMATES

SCENARIO 1 – “SUSTAINABLE PLAN” TOTAL DEBT ESTIMATES

	FY17	FY18	FY19	FY20	FY21	FY22	FY23
Existing General Obligation Bond Debt							
Governmental Activities	\$ 105,664,616	\$ 98,332,704	\$ 90,700,682	\$ 82,800,444	\$ 76,354,969	\$ 69,631,109	\$ 62,599,076
Business Type Activities	3,065,386	2,842,299	2,609,321	2,369,559	2,215,034	2,053,894	1,885,927
TOTAL	108,730,002	101,175,003	93,310,003	85,170,003	78,570,003	71,685,003	64,485,003

Forecasted additions to debt

FY17 Issuance of \$12.6 million	12,600,000	12,175,000	11,735,000	11,275,000	10,800,000	10,305,000	9,790,000
FY18 Issuance of \$19.9 million	-	19,900,000	19,205,000	18,480,000	17,725,000	16,940,000	16,125,000
BOE Facility Assmt - \$1.2 million (FY18)	-	1,200,000	1,153,846	1,105,385	1,054,615	1,001,538	946,154
Det Center - \$2 million total (FY18)	-	2,000,000	1,932,500	1,862,500	1,790,000	1,715,000	1,635,000
FY19 Issuance of \$11.6 million	-	-	11,600,000	11,225,000	10,835,000	10,430,000	10,005,000
BOE Facility Assmt - \$1.2 million (FY19)	-	-	1,200,000	1,153,846	1,105,385	1,054,615	1,001,538
FY20 Issuance of \$10.0 million	-	-	-	10,000,000	9,129,310	8,224,138	7,284,483
BOE Facility Assmt - \$1.2 million (FY20)	-	-	-	1,200,000	1,153,846	1,105,385	1,054,615
FY21 Issuance of \$10.0 million	-	-	-	-	10,000,000	9,129,310	8,224,138
BOE Facility Assmt - \$1.2 million (FY21)	-	-	-	-	1,200,000	1,153,846	1,105,385
FY22 Issuance of \$10.0 million	-	-	-	-	-	10,000,000	9,129,310
BOE Facility Assmt - \$1.2 million (FY22)	-	-	-	-	-	1,200,000	1,153,846
FY23 Issuance of \$10.0 million	-	-	-	-	-	-	10,000,000
BOE Facility Assmt - \$1.2 million (FY23)	-	-	-	-	-	-	1,200,000

Total Debt Including:

Forecasted Issuances	\$ 121,330,002	\$ 136,450,003	\$ 140,136,349	\$ 141,471,734	\$ 143,363,159	\$ 143,943,836	\$ 143,139,472
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	FY17	FY18	FY19	FY20	FY21	FY22	FY23
Existing General Obligation Bond Debt							
Governmental Activities	\$ 105,664,616	\$ 98,332,704	\$ 90,700,682	\$ 82,800,444	\$ 76,354,969	\$ 69,631,109	\$ 62,599,076
Business Type Activities	3,065,386	2,842,299	2,609,321	2,369,559	2,215,034	2,053,894	1,885,927
TOTAL	108,730,002	101,175,003	93,310,003	85,170,003	78,570,003	71,685,003	64,485,003

Forecasted additions to debt

FY17 Issuance of \$12.6 million	12,600,000	12,175,000	11,735,000	11,275,000	10,800,000	10,305,000	9,790,000
FY18 Issuance of \$19.9 million	-	19,900,000	19,205,000	18,480,000	17,725,000	16,940,000	16,125,000
BOE Facility Assmt - \$2.6 million (FY18)	-	2,600,000	2,500,000	2,395,000	2,285,000	2,170,000	2,050,000
Det Center - \$4 million (FY18)	-	4,000,000	3,865,000	3,725,000	3,580,000	3,430,000	3,270,000
FY19 Issuance of \$11.6 million	-	-	11,600,000	11,225,000	10,835,000	10,430,000	10,005,000
BOE Facility Assmt - \$5.7 million (FY19)	-	-	5,700,000	5,600,000	5,495,000	5,385,000	5,270,000
FY20 Issuance of \$12.0 million	-	-	-	12,000,000	10,955,172	9,868,966	8,741,379
BOE Facility Assmt - \$3.2 million (FY20)	-	-	-	3,200,000	3,100,000	2,995,000	2,885,000
FY21 Issuance of \$10.0 million	-	-	-	-	10,000,000	9,900,000	9,795,000
BOE Facility Assmt - \$10.0 million (FY21)	-	-	-	-	10,000,000	9,900,000	9,795,000
FY22 Issuance of \$10.0 million	-	-	-	-	-	10,000,000	8,990,000
BOE Facility Assmt - \$4.5 million (FY22)	-	-	-	-	-	4,500,000	4,400,000
FY23 Issuance of \$10.0 million	-	-	-	-	-	-	10,000,000
BOE Facility Assmt - \$5.3 million (FY23)	-	-	-	-	-	-	5,300,000

Total Debt Including:

Forecasted Issuances	\$ 121,330,002	\$ 139,850,003	\$ 147,915,003	\$ 153,070,003	\$ 163,345,175	\$ 167,508,969	\$ 170,901,382
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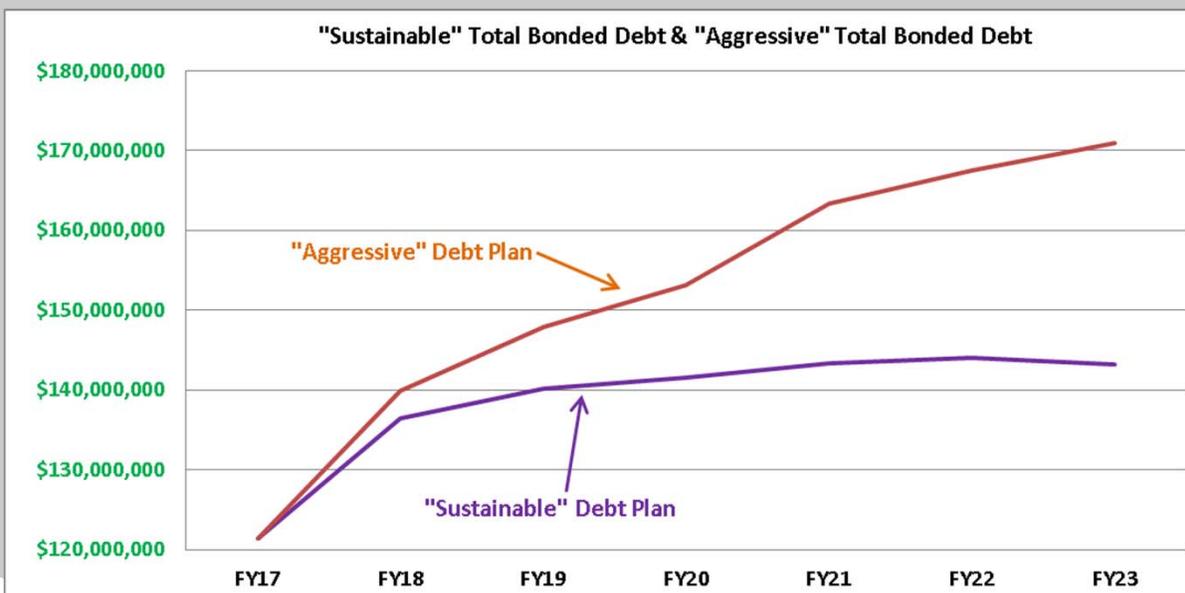
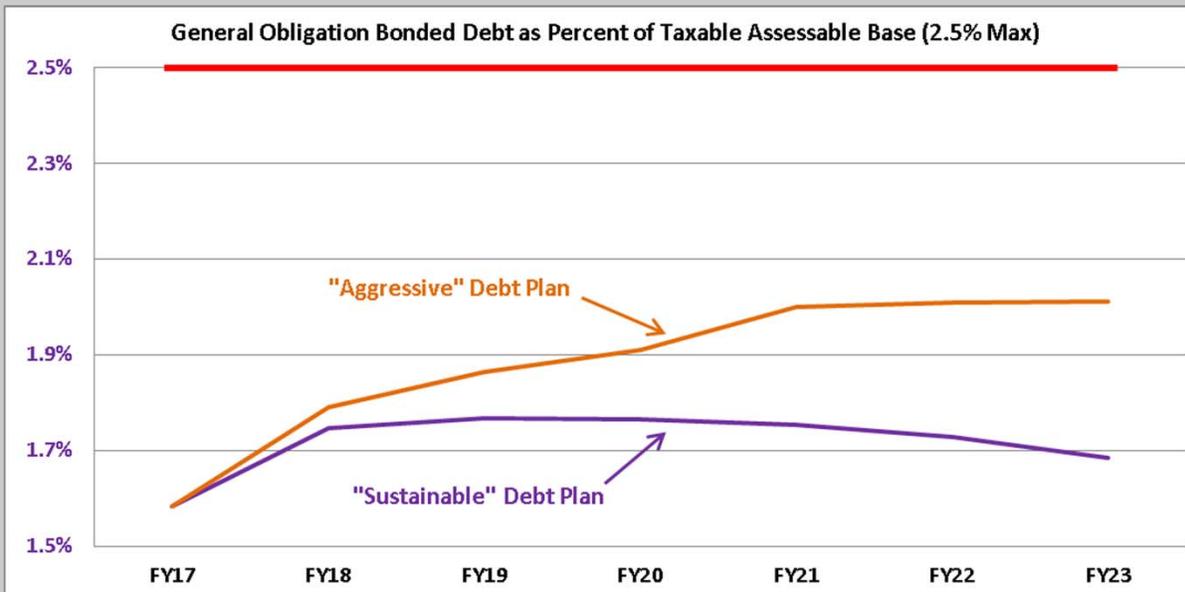
SCENARIO 2 – “AGGRESSIVE PLAN” TOTAL DEBT ESTIMATES



DEBT POLICY RATIOS

Current Debt Policy states:

- Outstanding General Bonded Debt and the new General Obligation debt proposed:
 - is 2.5% or less of the Total Taxable Assessable Base; and,

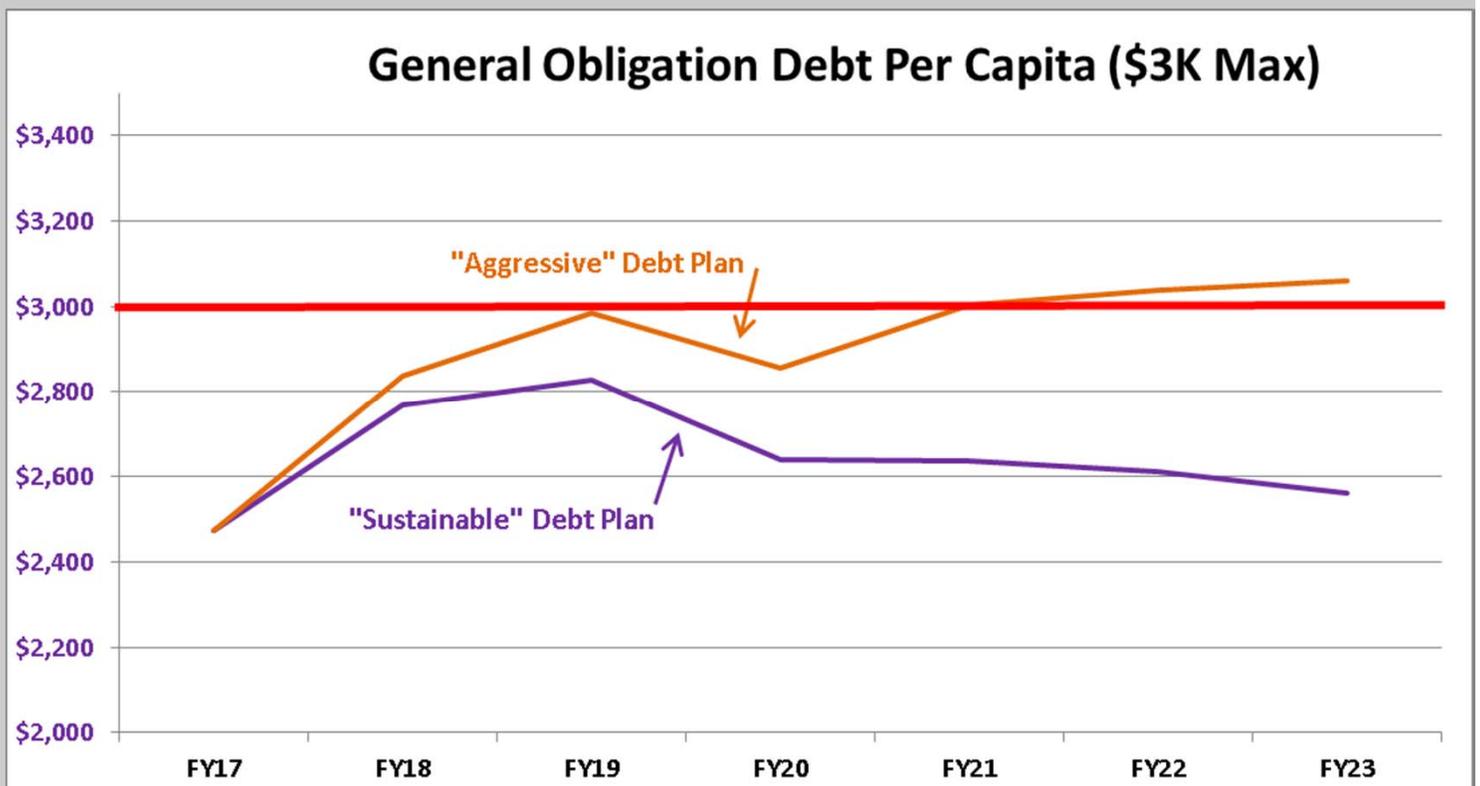




DEBT POLICY RATIOS

Current Debt Policy states:

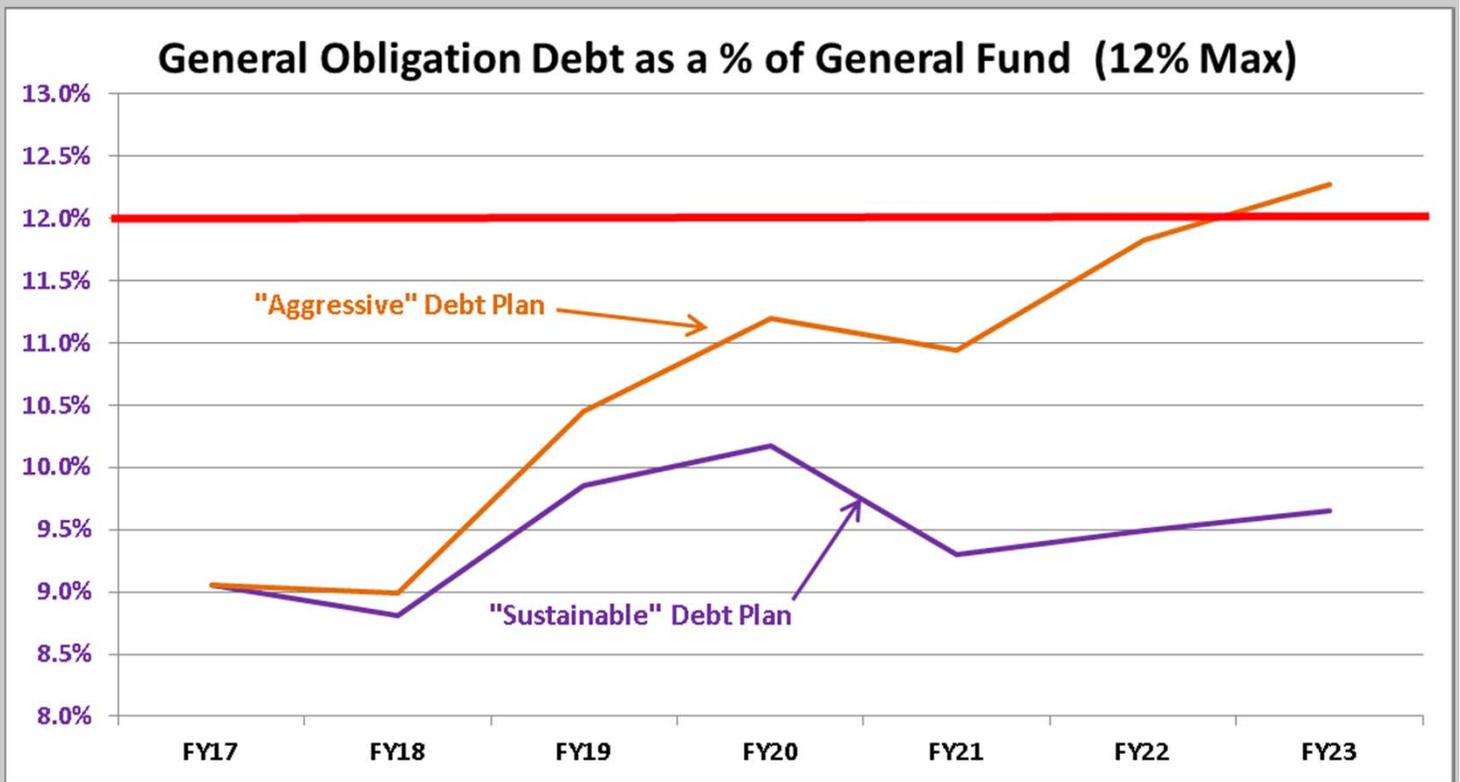
- Outstanding General Bonded Debt and the new General Obligation debt proposed:



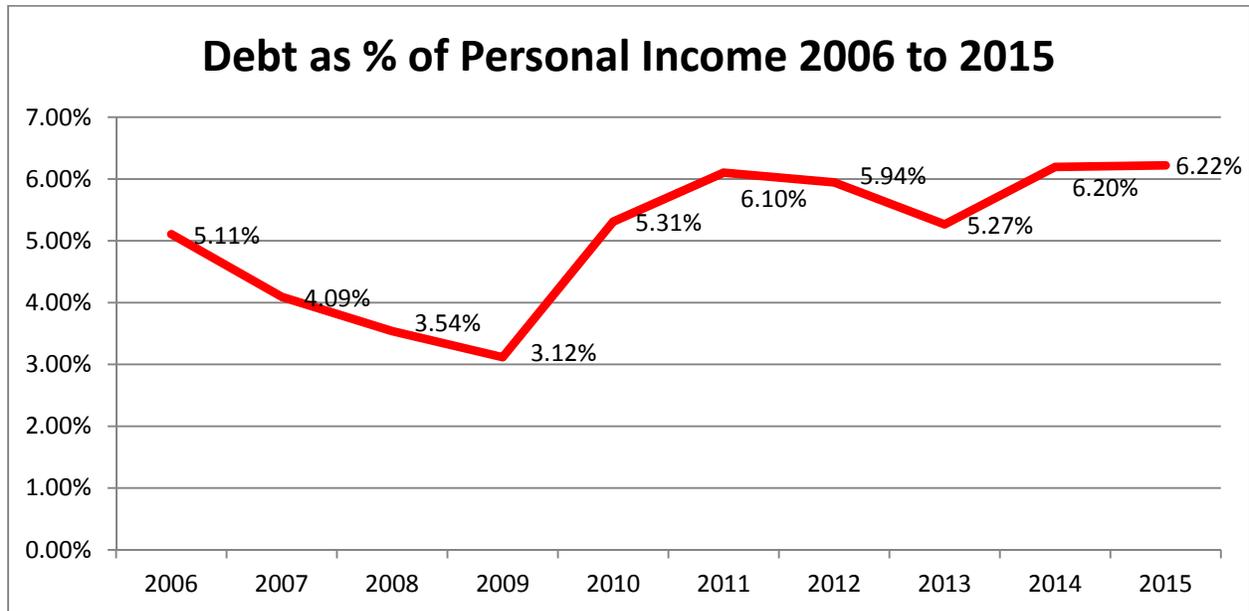


DEBT POLICY RATIOS

Current Debt Policy also states that although there is some flexibility in the measurement of debt service compared to general fund expenditures and no absolute limit established by Government Finance Officers Association, anything above 12% of total general fund expenditures would be a cause to carefully monitor debt service.



Appendix III: New Debt Measure Based on Wealth



Static spending per capita is not believed to be an appropriate measure of debt capacity because over time it will not account for a given county's general wealth, Recommendation 2: tie the per capita debt threshold (currently at \$3,000 per capita) to currently defined per capita income each year as reported by the U.S. Bureau of Labor Statistics or similar agency. This measure shall be a ratio of per capita income to total outstanding general fund debt. Maximum threshold of income to outstanding debt shall be 8%.

Appendix IV: Forecast Assumptions

GENERAL FUND REVENUE FORECAST	<i>Actual</i>				<i>Budgeted</i>	<i>Projected</i>			
	FY13	FY14	FY15	FY16*	FY17	FY18	FY19	FY20	
REVENUES									
Taxes									
Local Property Tax	65,516,659	64,666,451	64,643,520	64,912,515	66,145,298	66,210,765	67,203,927	67,875,966	
Local Income Tax	39,438,906	40,326,921	42,889,715	46,424,552	46,448,552	47,450,000	47,300,000	48,249,000	
Admission and Amusement Taxes	160,516	155,336	155,396	169,679	158,100	170,000	165,000	172,500	
Recordation Taxes	3,100,826	2,978,677	3,399,247	4,044,013	4,568,755	4,200,000	4,450,000	4,750,000	
Transfer Taxes	675,532	730,587	1,797,855	1,915,339	1,925,000	1,950,000	1,925,000	1,950,000	
Highway User	478,900	466,734	518,326	611,835	576,410	600,000	550,000	550,000	
Franchise Fee	-	-	-	-	450,000	450,000	425,000	445,000	
Hotel Taxes	470,139	447,970	-	-	530,000	500,000	475,000	510,000	
Licenses and Permits	1,004,774	1,080,891	615,401	624,570	637,500	650,000	650,000	650,000	
Intergovernmental	2,588,810	2,256,950	2,117,843	2,161,054	2,189,589	2,250,000	2,150,000	2,150,000	
Miscellaneous Revenue	996,008	1,015,716	1,167,897	718,183	994,080	1,025,000	1,000,000	1,000,000	
Charges for Current Services	2,574,951	2,252,711	2,170,142	2,605,422	2,213,545	2,750,000	2,500,000	2,750,000	
Investment Income	73,201	53,640	56,231	89,003	50,516	80,000	60,000	70,000	
Subtotal - Revenues	117,079,222	116,432,584	119,531,573	124,276,165	126,887,345	128,285,765	128,853,927	131,122,466	
Transfers In	22,608	40,370	268,376	518,186	1,450,000	1,500,000	1,500,000	1,500,000	
Fund Balance	-	-	-	-	1,101,782	-	-	-	
TOTAL REVENUES	117,101,830	116,472,954	119,799,949	124,794,351	129,439,127	129,785,765	130,353,927	132,622,466	

Appendix IV: Forecast Assumptions, continued

EXPENDITURES	<i>Actual</i>				<i>Budgeted</i>	<i>Projected</i>		
	FY13	FY14	FY15	FY16*	FY17	FY18	FY19	FY20
Salaries **	18,958,949	19,582,673	20,420,614	22,264,790	23,580,293	24,523,505	24,523,505	25,504,445
Fringe Benefits	8,901,384	8,639,435	9,120,684	9,321,396	11,433,393	12,005,063	12,005,063	12,605,316
Operating Costs	13,074,346	15,479,804	14,259,820	15,076,284	16,549,597	16,880,589	16,880,589	17,218,201
Debt Service	10,566,756	10,633,577	11,247,009	11,163,242	11,899,300	11,662,000	13,623,000	14,852,000
Transfers (Roads, Fund Balance, Capital)	11,163,397	5,359,017	4,154,321	3,911,797	4,502,493	4,637,568	4,776,695	4,919,996
Retiree Health/OPEB	1,668,781	1,687,767	1,865,552	2,174,411	2,281,819	2,675,218	3,108,508	3,557,722
Teacher Pension	1,105,527	1,401,286	1,497,849	1,763,314	0	0	0	0
Board of Education	43,754,524	46,730,398	49,730,398	51,086,979	54,187,293	54,891,728	55,605,320	56,328,189
Board of Education-Total	44,860,051	48,131,684	51,228,247	52,850,293	54,187,293	54,891,728	55,605,320	56,328,189
College/Library	2,945,550	3,010,238	3,224,317	3,391,834	3,554,377	3,661,008	3,661,008	3,770,839
Intergovernmental/Other Costs	2,114,611	1,514,648	1,504,043	1,739,527	1,450,563	1,479,574	1,523,091	1,553,553
TOTAL EXPENDITURES	114,253,825	114,038,843	117,024,607	121,893,574	129,439,128	132,416,252	135,706,779	140,310,260
REVENUE	117,101,830	116,472,954	119,799,949	124,794,351	129,439,128	129,785,765	130,353,927	132,622,466
Surplus/Deficit (Revenue Less Expenditures)	2,848,005	2,434,111	2,775,342	2,900,777	0	-2,630,487	-5,352,852	-7,687,794

Appendix V: Fund Balance History

	<u>FY11 Actual</u>	<u>FY12 Actual</u>	<u>FY13 Actual</u>	<u>FY14 Actual</u>	<u>FY15 Actual</u>	<u>FY16 Estimate*</u>
Nonspendable	\$ 4,000	\$ 555,215	\$ 626,122	\$ 480,385	\$ 687,777	\$ 586,481
Restricted	333,798	340,670	8,111,614	8,375,368	8,681,112	9,002,386
Committed	657,068	695,944	-	1,157,360	2,000,000	3,000,000
Assigned	70,000	-	1,284,657	1,284,875	2,034,875	1,926,782
Unassigned	<u>4,753,656</u>	<u>11,207,265</u>	<u>5,965,003</u>	<u>7,123,519</u>	<u>7,793,085</u>	<u>9,581,977</u>
 Total Fund Balance	 <u>\$ 5,818,522</u>	 <u>\$ 12,799,094</u>	 <u>\$ 15,987,396</u>	 <u>\$ 18,421,507</u>	 <u>\$ 21,196,849</u>	 <u>\$ 24,097,626</u>

Note: FY16 is current unaudited estimate as of Sept 16, 2016. Expect changes.

Appendix VI: FY2017-FY2022 Capital Improvement Program

QUEEN ANNE'S COUNTY CAPITAL BUDGET SUMMARY BY YEAR FY 2017-2022							
DESCRIPTION	FY17	FY18	FY19	FY20	FY21	FY22	TOTAL
ALLOCATION TO VOLUNTEER FIRE DEPARTMENTS	416,667	416,667	416,667	416,667	416,667	-	2,083,335
4-H PARK IMPROVEMENTS (OAC Park Board)	85,000	55,000	75,000	35,000	40,000	-	290,000
LONG MARSH DITCH - EROSION & STABILIZATION	25,000	25,000	25,000	25,000	25,000	25,000	150,000
BEAVERDAM TAX DITCH	20,000	20,000	20,000	20,000	20,000	20,000	120,000
OAC-TV7 EQUIPMENT REPLACEMENT PROGRAM	78,160	166,980	87,600	26,400	59,400	55,200	473,740
TRANSFER TO HOUSING & COMMUNITY SERVICES C	138,423	138,423	138,423	138,423	138,423	-	692,116
TOTAL OUTSIDE AGENCIES AND OTHER	763,250	822,070	762,690	661,490	699,490	100,200	3,809,191
NEW CIRCUIT COURTHOUSE	7,000,000	10,000,000	2,000,000	-	-	-	19,000,000
CAPITAL EQUIPMENT - LIGHT VEHICLES	-	30,000	-	-	-	-	30,000
PUBLIC DRAINAGE & STORMWATER MGMT	200,000	200,000	200,000	200,000	200,000	-	1,000,000
COUNTY FACILITIES PROGRAM	300,000	200,000	300,000	200,000	300,000	300,000	1,600,000
DETENTION CENTER WINDOW REPLACEMENT	70,000	-	-	-	-	-	70,000
FORMER ANIMAL HEALTH LAB RENOVATIONS	50,000	-	-	-	-	-	50,000
LIBERTY BUILDING WINDOW REPLACEMENT	-	-	200,000	-	-	-	200,000
DPW YARD MTBE REMEDIATION	50,000	50,000	50,000	-	-	-	150,000
HISTORIC COURTHOUSE RENOVATIONS	-	-	2,000,000	1,000,000	-	-	3,000,000
TOTAL ADMINISTRATION & GENERAL SERVICES	7,670,000	10,480,000	4,750,000	1,400,000	500,000	300,000	25,100,000
VEHICLE	26,049	-	-	-	-	-	26,049
TOTAL BOARD OF ELECTIONS	26,049	-	-	-	-	-	26,049
AUTOMATION, UPDATES & GASB IMPLEMENTATIONS	500,000	-	35,000	35,000	20,000	-	590,000
TOTAL HR & FINANCE	500,000	-	35,000	35,000	20,000	-	590,000
SHERIFF CARS - REPLACEMENT	471,852	471,852	471,852	471,852	471,852	471,852	2,831,112
LAW ENFORCEMENT EQUIPMENT-PBTS	4,250	4,250	4,250	4,250	4,250	4,250	25,500
LAW ENFORCEMENT EQUIPMENT-TASERS	15,000	15,000	15,000	15,000	15,000	15,000	90,000
TOTAL SHERIFF	491,102	491,102	491,102	491,102	491,102	491,102	2,946,612
EMS QUICK RESPONSE SUPERVISOR VEHICLE	-	65,784	67,758	-	50,854	-	184,396
AMBULANCE STRETCHER	32,960	16,974	17,483	18,007	18,547	19,475	123,446
TACTICAL EMS VEHICLE	-	-	-	49,398	-	-	49,398
EMS-TYPE I MODULAR AMBULANCE - NEW	257,250	264,968	272,917	281,105	289,538	298,224	1,664,002
EMS CARDIAC CARE EQUIPMENT	71,496	16,876	71,496	71,496	71,496	71,496	374,356
EMS ENCLOSED TRAILER	-	-	-	33,925	-	-	33,925
DES SSD - FEC MARVLIS NETWORK	91,740	91,741	136,456	136,456	136,456	136,456	729,305
ADMIN RESPONSE VEHICLE	-	-	-	-	50,854	52,837	103,691
DES SSD - VEHICLE REPLACEMENT	-	25,544	-	-	-	-	25,544
DES SSD -PUBLIC SAFETY NETWORK	150,000	-	150,000	170,000	190,000	-	660,000
DES-COM UPS (UNINTERRUPTIBLE POWER SUPPLY)	103,000	-	-	-	-	-	103,000
DES-COM 911 CONSOLE REPLACEMENT	90,000	32,500	-	-	-	-	122,500
EMS - PROTECTIVE GEAR	51,810	64,110	60,010	62,968	66,042	69,260	374,200
EMERGENCY MANAGEMENT - RESPONSE VEHICLE F	-	-	-	-	-	52,353	52,353
FM VEHICLE REPLACEMENT	32,000	-	-	-	-	52,353	84,353
DES SSD -RADIO TOWER INSPECTION/REPAIR	130,000	-	-	-	-	50,000	180,000
EMERGENCY MANAGEMENT - PLANNING & MITIGATIO	81,250	60,000	40,000	40,000	40,000	87,500	348,750
TOTAL DEPARTMENT OF EMERGENCY SERVICES	1,091,506	638,497	816,120	863,355	913,787	889,954	5,213,219
TRANSPORT VEHICLE	-	30,000	-	30,000	-	-	60,000
SECURITY CONTROL PANEL	20,000	-	-	-	-	-	20,000
KEY CONTROL SYSTEM	12,000	-	-	-	-	-	12,000
WASHER & DRYER	15,000	-	-	-	-	-	15,000
G-POD REPLACEMENT	-	1,500,000	-	-	-	-	1,500,000
TOTAL DETENTION CENTER	47,000	1,530,000	-	30,000	-	-	1,607,000
CAPITAL EQUIPMENT - LIGHT VEHICLES	-	30,000	-	30,000	-	35,000	95,000
STRATEGIC PLANNING INITIATIVES-COMM PLANNING	56,250	-	56,250	56,250	56,250	56,250	281,250
WATERSHED IMPLEMENTATION PROGRAM (WIP)	-	150,000	150,000	150,000	150,000	-	600,000
COMMUNITY PLAN & COMPREHENSIVE PLAN UPDATI	50,000	100,000	100,000	300,000	50,000	50,000	650,000
TOTAL PLANNING & ZONING	106,250	280,000	306,250	536,250	256,250	141,250	1,626,250
IT INFRASTRUCTURE	250,000	100,000	100,000	100,000	100,000	-	650,000
REENGINEERING TECHNOLOGY	100,000	-	-	-	-	-	100,000
FIBER INFRASTRUCTURE	-	550,000	-	-	-	-	550,000
GIS AND CURRENT PLANNING INITIATIVES	90,000	50,000	50,000	50,000	50,000	50,000	340,000
COUNTY WIDE ORTHO/PLANIMETRIC MAPPING	-	80,000	-	80,000	80,000	80,000	320,000
TOTAL IT	440,000	780,000	150,000	230,000	230,000	130,000	1,960,000
TRANSFER STATION- IMPROVEMENTS	50,000	50,000	50,000	50,000	50,000	50,000	300,000
CAPITAL EQUIPMENT - LIGHT VEHICLES	-	60,000	35,000	-	-	-	95,000
CAPITAL EQUIPMENT - HEAVY & CONSTRUCTION VEI	150,000	170,000	180,000	140,000	-	-	640,000
CAPITAL EQUIPMENT - MISC SMALL & NON-MOTORIZED	144,000	24,000	84,000	24,000	84,000	24,000	384,000
TOTAL SOLID WASTE	344,000	304,000	349,000	214,000	134,000	74,000	1,419,000
KENT ISLAND EXPANSION	-	325,000	2,769,000	2,769,000	-	-	5,863,000
TOTAL PUBLIC LIBRARY SYSTEM	-	325,000	2,769,000	2,769,000	-	-	5,863,000
RECREATION - LIGHT VEHICLES	40,000	-	40,000	-	-	-	80,000
TOTAL RECREATION	40,000	-	40,000	-	-	-	80,000
TRANSIT VEHICLE - LARGE	-	254,000	-	-	-	-	254,000
TRANSIT - TRANSPORTATION DEVELOPMENT PLAN	100,000	-	-	-	-	-	100,000
TRANSIT - CAPITAL EQUIPMENT	29,000	-	-	-	-	-	29,000
CAPITAL EQUIPMENT - LIGHT VEHICLES	60,000	-	60,000	-	-	-	120,000
TRANSIT - PREVENTIVE MAINTENANCE	65,000	65,000	65,000	65,000	65,000	65,000	390,000
TOTAL AGING	254,000	319,000	125,000	65,000	65,000	65,000	893,000

**QUEEN ANNE'S COUNTY
CAPITAL BUDGET SUMMARY BY YEAR
FY 2017-2022**

DESCRIPTION	FY17	FY18	FY19	FY20	FY21	FY22	TOTAL
RELOCATABLE CLASSROOMS	72,000	100,000	-	-	-	-	172,000
TECHNOLOGY PLAN	1,219,129	1,263,919	1,328,562	-	-	-	3,811,610
GRASONVILLE ELEMENTARY - ADDITION	445,737	3,248,000	-	-	-	-	3,693,737
SECURITY UPGRADES	209,000	-	-	-	-	-	209,000
GENERAL BUILDING IMPROVEMENTS	300,000	300,000	300,000	300,000	300,000	300,000	1,800,000
TECHBOOKS/TEXTBOOKS	550,000	-	-	-	-	-	550,000
EQUIP & VEHICLES	374,000	-	-	-	-	-	374,000
CHURCH HILL ELEM - ROOF	152,000	-	-	-	-	-	152,000
SUDLERSVILLE ELEM - ROOF	-	131,000	-	-	-	-	131,000
GRASONVILLE ELEMENTARY - FIRE	134,000	-	-	-	-	-	134,000
KHS - ENERGY MANAGEMENT SYSTEM	-	-	-	-	-	-	-
TOTAL BOARD OF EDUCATION	3,455,866	5,042,919	1,628,562	300,000	300,000	300,000	11,027,347
CAPITAL EQUIPMENT (GEN FUND)	324,000	205,000	205,000	215,000	220,000	340,000	1,509,000
MAJOR MAINTENANCE FUND	200,000	200,000	200,000	200,000	200,000	200,000	1,200,000
ADA COMPLIANCE	100,000	100,000	100,000	200,000	100,000	100,000	700,000
KUDNER TRAIL/PARKING LOT & BALL FIELDS	-	130,000	-	-	-	-	130,000
CHURCH HILL PARK FIELD LIGHTING	-	-	-	100,000	-	-	100,000
CHURCH HILL PARK PARKING LOT LIGHTS	-	100,000	-	-	-	-	100,000
RT 18 BALLFIELD LIGHTS	-	-	350,000	-	-	-	350,000
KI SOUTH TRAIL SPUR (TOWER GARDENS)	-	70,000	-	-	-	-	70,000
KI SOUTH TRAIL SPUR (TWIN COVE ESTATES)	-	70,000	-	-	-	-	70,000
KI SOUTH TRAIL PHASE II	-	50,000	-	-	-	-	50,000
CROSS COUNTY CONNECTOR TRAIL PHASE II	-	50,000	-	-	-	-	50,000
CROSS COUNTY CONNECTOR TRAIL PHASE III	-	-	50,000	-	-	-	50,000
DAVIDSON PARK BATHROOMS/CONCESSION STAND	-	300,000	-	-	-	-	300,000
DAVIDSON PARK - IRRIGATION/BERMUDA	-	-	450,000	-	-	-	450,000
LAND-COMMUNITY PARKS	-	-	-	40,000	40,000	40,000	120,000
PARKS BUILDING STABILIZATION FUND	200,000	200,000	40,000	40,000	40,000	-	520,000
PARKS PARKING LOT PAVING	-	-	130,000	100,000	80,000	-	310,000
PARKS SURVEYS	15,000	-	10,000	5,000	5,000	5,000	40,000
ATHLETIC FIELDS IRRIGATION	100,000	-	-	-	-	-	100,000
WHITE MARSH PARK - LIGHTING	-	-	-	450,000	450,000	-	900,000
LAND - GREENWAY TRAILS	-	-	-	45,000	45,000	45,000	135,000
RT 50 PEDESTRIAN OVERPASS	-	-	-	-	250,000	6,000,000	6,250,000
TOTAL PARKS	939,000	1,475,000	1,535,000	1,395,000	1,430,000	6,730,000	13,504,000
TOTAL GENERAL CAPITAL PROJECTS	16,168,023	22,487,588	13,757,724	8,990,197	5,039,629	9,221,506	75,664,668
SOFT LAUNCH WATER ACCESS	50,000	50,000	50,000	-	-	-	150,000
CAPITAL EQUIPMENT - LANDINGS	-	-	23,000	-	-	-	23,000
CORSICA RIVER DREDGING	300,000	-	-	-	-	-	300,000
DOMINION PARKING LOT PAVING	-	49,000	-	-	-	-	49,000
GOODHAND'S CREEK PARKING PAVING	-	-	49,000	-	-	-	49,000
KINGSTOWN OLD BRIDGE LANDING	30,000	-	-	-	-	-	30,000
KENT NARROWS RAMP PARKING PAVING	-	-	-	-	49,000	-	49,000
KENT NARROWS DREDGING	25,000	750,000	-	-	-	-	775,000
DEEP CREEK LANDING BULKHEAD	-	-	-	150,000	-	-	150,000
PUBLIC LANDINGS LAND - UNDESIGNATED	10,000	10,000	10,000	10,000	10,000	10,000	60,000
PUBLIC LANDINGS MAINTENANCE & IMPROVEMENTS	5,000	5,000	5,000	5,000	5,000	5,000	30,000
THOMPSON CREEK BULKHEAD	-	-	-	225,000	-	-	225,000
TOTAL PUBLIC LANDINGS ENTERPRISE	420,000	864,000	137,000	390,000	64,000	15,000	1,890,000
BLUE HERON GOLF COURSE - COURSE IMPROVEME	60,000	-	-	-	-	-	60,000
TOTAL GOLF COURSE ENTERPRISE	60,000	-	-	-	-	-	60,000
SOUTH APRON AND RUNWAY 11-29 GEOTECH	-	-	-	-	-	30,000	30,000
NEW AIRPORT TERMINAL BUILDING	-	675,000	-	-	-	-	675,000
AIRPORT CAPITAL EQUIPMENT	-	57,000	-	-	-	-	57,000
LAND ACQUISITION/OBSTRUCTION REMOVAL	470,000	350,000	-	-	-	-	820,000
CONSTRUCT APRON PHASE II	-	-	200,000	-	2,800,000	-	3,000,000
RUNWAY REHAB DESIGN	-	250,000	400,000	350,000	-	-	1,000,000
TOTAL BAY BRIDGE AIRPORT ENTERPRISE	470,000	1,332,000	600,000	350,000	2,800,000	30,000	5,582,000
HOUSING REHABILITATION LOANS	50,000	50,000	50,000	50,000	-	-	200,000
TOTAL HOUSING AND COMMUNITY SERVICES	50,000	50,000	50,000	50,000	-	-	200,000
CAPITAL EQUIPMENT - HYBRID VEHICLES	-	35,000	-	-	-	-	35,000
CAPITAL EQUIPMENT - LIGHT VEHICLES/MAINTENANK	290,000	90,000	160,000	-	160,000	-	700,000
CAPITAL EQUIPMENT - HEAVY & CONSTRUCTION VEI	410,000	330,000	540,000	620,000	380,000	250,000	2,530,000
CAPITAL EQUIPMENT - MSC SMALL & NON-MOTORIZE	60,000	60,000	60,000	60,000	60,000	60,000	360,000
ASPHALT OVERLAYS	2,517,950	2,500,000	2,400,000	2,500,000	2,500,000	2,500,000	14,917,950
PARKING LOT OVERLAYS	260,015	100,000	50,000	50,000	50,000	50,000	560,015
CROSS COUNTY CONNECTOR TRAIL	4,000,000	-	-	-	-	-	4,000,000
KENT NARROWS PUBLIC PARKING	-	500,000	-	-	-	-	500,000
TAYLOR MILL ROAD BRIDGE	-	-	-	-	-	1,100,000	1,100,000
TOTAL ROADS BOARD CAPITAL PROJECTS	7,537,965	3,615,000	3,210,000	3,230,000	3,150,000	3,960,000	24,702,965

**QUEEN ANNE'S COUNTY
CAPITAL BUDGET SUMMARY BY YEAR
FY 2017-2022**

DESCRIPTION	FY17	FY18	FY19	FY20	FY21	FY22	TOTAL
DISCHARGE PUMP REPLACEMENTS	-	50,000	-	50,000	-	50,000	150,000
VACUUM PUMP REPLACEMENTS	-	-	60,000	-	60,000	-	120,000
CAPITAL EQUIPMENT REPLACEMENT	180,000	17,500	-	150,000	25,000	-	372,500
PUMP STA 5 REHABILITATION	100,000	-	-	-	-	-	100,000
FORCE MAIN REHABILITATION - GENERAL	-	250,000	250,000	-	250,000	-	750,000
COUNTY WIDE ORTHO/PLANIMETRIC MAPPING	5,000	5,000	5,000	5,000	5,000	5,000	30,000
COMPREHENSIVE MASTER WATER & SEWERAGE PL	30,000	-	-	-	-	-	30,000
GENERATOR REPLACEMENTS	-	-	-	50,000	-	-	50,000
COLLECTION STATION METERING	25,000	25,000	25,000	25,000	25,000	25,000	150,000
INDIVIDUAL SEPTIC SYSTEM INSTALS	500,000	500,000	500,000	500,000	-	-	2,000,000
SOUTHERN KENT ISLAND - PHASE II STEP	-	-	175,000	205,000	1,320,000	1,250,000	2,950,000
SOUTHERN KENT ISLAND - PHASE II COMMUNITY MAI	-	-	80,000	350,000	240,000	150,000	820,000
SOUTHERN KENT ISLAND - SEWER FORCE MAIN	4,490,000	4,490,000	-	-	-	-	8,980,000
SOUTHERN KENT ISLAND - SEWER PHASE I COMMUN	1,875,000	1,750,000	-	-	-	-	3,625,000
SOUTHERN KENT ISLAND - SEWER PHASE I STEP	<u>3,250,000</u>	<u>4,250,000</u>	<u>3,200,000</u>	-	-	-	<u>10,700,000</u>
TOTAL SEWER ENTERPRISE	<u>10,455,000</u>	<u>11,337,500</u>	<u>4,295,000</u>	<u>1,335,000</u>	<u>1,925,000</u>	<u>1,480,000</u>	<u>30,827,500</u>
KENT NARROWS TOWER & DISTRIBUTION	-	-	-	-	1,000,000	-	1,000,000
COUNTY WIDE ORTHO/PLANIMETRIC MAPPING	5,000	5,000	5,000	5,000	5,000	5,000	30,000
STEVENSVILLE WTP UPGRADE	-	250,000	-	-	-	-	250,000
GRASONVILLE WTP UPGRADE	-	-	-	250,000	-	350,000	600,000
CAPITAL EQUIPMENT REPLACEMENT	160,000	-	135,000	50,000	25,000	-	370,000
REHABILITATION OF WATER TREATMENT PLANT STR	-	-	50,000	-	50,000	-	100,000
CRITICAL INTERCONNECTIONS	500,000	500,000	-	-	2,500,000	-	3,500,000
GAS DISINFECTION ELIMINATION PROJECT	30,000	30,000	-	-	-	-	60,000
RESIDENTIAL METER REPLACEMENT	-	-	-	-	125,000	-	125,000
WATER - GENERATORS	-	-	-	85,000	-	-	85,000
WTP BACKWASH CONTROL PROJECT	25,000	25,000	25,000	25,000	25,000	25,000	150,000
WATER - FOUR SEASONS 750 gpm WTP EXPANSION	-	-	-	-	2,500,000	-	2,500,000
TOTAL WATER ENTERPRISE	<u>720,000</u>	<u>810,000</u>	<u>215,000</u>	<u>415,000</u>	<u>6,230,000</u>	<u>380,000</u>	<u>8,770,000</u>
TOTAL ALL CAPITAL PROJECTS	<u>35,880,988</u>	<u>40,496,088</u>	<u>22,264,724</u>	<u>14,760,197</u>	<u>19,208,629</u>	<u>15,086,506</u>	<u>147,697,133</u>

Appendix VII: Ordinance 15-11

COUNTY ORDINANCE NO. 15-11

A BILL ENTITLED

AN ACT CONCERNING the Spending Affordability Committee;

FOR THE PURPOSE OF establishing a Spending Affordability Committee in Queen Anne's County; providing for membership, staff support, duties and responsibilities of such committee; requiring an annual report from such committee and requiring the consideration of certain factors in connection therewith; providing for consideration of the committee's recommendations in connection with the development of capital and operating budgets by the County Commissioners of Queen Anne's County; and generally making provisions for a Spending Affordability Committee;

BY ADDING a new Article VII, Sections 5-25 and 5-26 of Chapter 5 of the Code of Public Local Laws of Queen Anne's County, Maryland.

SECTION I

BE IT ENACTED BY THE COUNTY COMMISSIONERS OF QUEEN ANNE'S COUNTY, MARYLAND that the following Article VII entitled Spending Affordability Committee be ADDED to the Code of Public Local Laws of Queen Anne's County:

ARTICLE V: Spending Affordability Committee.

§5-24. Establishment; membership; staff support.

- A. There is hereby established a Spending Affordability Committee which shall be composed of three (3) to five (5) members recommended by the County Administrator and the Director of Budget, Finance and Information Technology and approved by the County Commissioners.
- B. The members shall serve two (2) year terms staggered in such a way that at no time will all members of the Committee be appointed in the same year, except for the initial appointments to the Committee.
- C. The members of the Committee shall, by virtue of their education and employment, have a demonstrated competence in one or more of the following areas: Accounting, Financial Analysis, Economics, Budget and Fiscal Management, Public Finance, Fiscal Planning, or related fields.
- D. The Office of Budget, Finance and Information Technology shall provide staff support to the Committee.

§5-25. Duties and Responsibilities.

- A. The Spending Affordability Committee shall make advisory recommendations to the County Commissioners concerning:
 - (1) Spending affordability;
 - (2) Ways to improve the County's budgetary procedures and policies; and

(3) Other related areas upon request of the County Commissioners.

B. On or before November 1 of each year, the committee shall submit to the County Commissioners a report on spending affordability guidelines for the proposed budget recommending County spending levels for the next fiscal year consistent with the capacity of the tax base and revenue sources of the County to finance public services and long-term debt. A copy of this report shall be posted on the County web site and be made available for public inspection.

(1) The report shall provide recommendations for the following spending affordability guidelines:

- (a) A ceiling on total general fund appropriations for the ensuing fiscal year;
- (b) Separate maximum general fund spending allocations for:
 - (i) Debt service; and
 - (ii) All other General Fund expenditures, in the aggregate, for the ensuing fiscal year,
- (c) Appropriate levels of general fund unrestricted fund balance for the ensuing fiscal year.
- (d) A financial forecast of four years, including projected General Fund revenues and expenditures
- (e) Guidelines for the capital budget, including recommended amounts of paygo funding, General Obligation bonds, and use of capital fund balance
- (f) Other findings or recommendations that the Committee considers appropriate

(2) In developing the spending affordability guidelines, the Committee shall consider the following factors, among others:

- (a) Growth and stability of the local economy;
- (b) Growth in the assessable base and property tax revenues;
- (c) Estimated revenues from outside sources such as the State government;
- (d) Changes in personal income and other measures of tax capacity;
- (e) Debt affordability indicators such as a ratio of net debt to total assessed value, the ratio of debt service to general fund expenditures, and debt per capita
- (f) The level of inflation and inflation trends;
- (g) Commercial construction, housing and other planning, permitting, and sales activity;
- (h) The level of unemployment and labor force trends; and
- (i) Projected population and school enrollment changes.

C. In developing the proposed capital and operating budgets, the County Administrator and County Commissioners shall consider the Committee's spending affordability recommendations. An approved budget in excess of the recommended affordability guidelines must be addressed in the annual Budget Resolution.

SECTION II

BE IT FURTHER ENACTED that this Act shall take effect on the forty-sixth (46th) day following its enactment.

INTRODUCED BY: Commissioner S. Wilson

DATE: September 22, 2015

PUBLIC HEARING HELD: October 27, 2015 @ 6:45 pm

VOTE: 4 Yea 1 Nay (Commissioner Moran opposed)

DATE OF ADOPTION: November 10, 2015

EFFECTIVE DATE: December 26, 2015

Appendix VIII: Rainy Day Fund Proposed Amendments

COUNTY ORDINANCE NO. 12-21

A BILL ENTITLED

AN ACT CONCERNING The Establishment of a Rainy Day Fund.

FOR THE PURPOSE of establishing and maintaining a Rainy Day Fund for contingencies of an emergency nature; requiring annual reports on such fund balance; providing for the appropriation of such funds to meet emergency needs; and requiring surplus revenues be used to maintain the Rainy Day Fund at a set minimum amount;

By enacting a revised Subtitle 5 of Title 5 of the Code of Public Local Laws of Queen Anne's County (1996 Ed.).

NOW THEREFORE, BE IT ENACTED BY The County Commissioners of Queen Anne's County, as follows:

SECTION I

BE IT ENACTED that a new Subtitle 5 of the Title 5 of the Code of Public Local Laws be adopted as follows:

TITLE 5. COUNTY FINANCE

Subtitle 5.. Rainy Day Fund - General Fund of the County.

5-17. Definitions.

(a) In General.

In this subtitle, the following terms have the meanings indicated.

(b) General Fund of the County.

"General Fund of the County" means that fund known as the general fund as defined by Generally Accepted Accounting Principles promulgated by the Government Accounting Standards Board.

5-18. Rainy Day Fund.

(a) The County shall maintain a Rainy Day Fund for contingencies in an amount equal to ~~7~~8% of budgeted general fund operating revenues.

5-19. Appropriation of Rainy Day Fund.

(a) The County Commissioners may, at any time, appropriate funds from the Rainy Day Fund for contingencies to meet emergency needs of an unanticipated, non-recurring nature.

(b) The County Commissioners, at the time of making such an appropriation, shall publicly state the specific nature of the emergency and its expected long-term effects on the finances of the County.

(c) Should the County experience a shortfall of revenues above and beyond shortfalls that occur during the normal course of governmental operations, and that cannot be offset by reasonable reductions in expenditures, an appropriation may be made from the Rainy Day Fund for contingencies sufficient to offset the shortfall.

(d) In the event funds are appropriated from the Rainy Day Fund for contingencies, sufficient funds shall be appropriated to such Rainy Day Fund by the end of the second succeeding fiscal year following such appropriation to return the Rainy Day Fund to the minimal balance requirements of this Subtitle.

5-20. Surplus funds.

(a) Should the general fund of the County have a surplus of revenues over expenditures in any given fiscal year, sufficient funds shall be allocated from such surplus revenues to the Rainy Day Fund for contingencies to bring the same into compliance with the minimal balance requirements of this Subtitle.

(b) To the extent that surplus funds are not added to the Rainy Day Fund, they shall become part of the unassigned fund balance of the general fund.

(c) The County Commissioners shall adopt a policy for the use of the unassigned fund balance, taking into account the non - recurring nature of such monies.

5-21. Annual report.

(a) The County Finance Director shall, at the time of submission of the comprehensive annual financial report, include information detailing the status of the Rainy Day Fund for contingencies and the unassigned fund balance.

SECTION II

BE IT FURTHER ENACTED that this Act shall take effect on the forty-sixth day following its passage.

Appendix IX: Special Fund Proposed Amendments

RESOLUTION NO. 14-05

A RESOLUTION OF THE COUNTY COMMISSIONERS OF QUEEN ANNE'S COUNTY, MARYLAND ESTABLISHING A SPECIAL FUND TO SET ASIDE CERTAIN GENERAL FUNDS OF THE COUNTY FOR CERTAIN UNANTICIPATED PROJECTS, INITIATIVES AND OTHER ONE-TIME EXPENSES.

WHEREAS, the County Commissioners of Queen Anne's County have determined that it *is* in the public interest to establish and maintain a Special Fund in the County for the purposes and on the conditions and restrictions hereinafter expressed;

NOW THEREFORE, BE IT RESOLVED BY THE COUNTY COMMISSIONERS OF QUEEN ANNE'S COUNTY, MARYLAND this 25 day of March, 2014, as follows:

1. There shall be a Special Fund in Queen Anne's County to be funded by the amount that General Fund revenues and transfers exceed General Fund expenditures not to exceed One Million Dollars (\$1,000,000.00) in any fiscal year. Transfers of such excess revenue to the Special Fund shall only be made after the requirements of the Rainy Day Fund have been met. The Special Fund shall not, in any event, exceed a total of ~~Four Million Dollars (\$4,000,000.00)~~ **5% of budgeted general fund operating revenues.**

2. Expenditures and transfers from the Special Fund shall be approved in advance by the County Commissioners at Queen Anne's County. No expenditure or transfer from the Special Fund shall be made without the affirmative vote of four-fifths of the board of County Commissioners.

3. The Special Fund shall be utilized on a priority basis *prior* to the Rainy Day Fund for the following purposes, or for such other emergencies, projects or expenses as may be approved by the County Commissioners:

- A. Special emergencies which might otherwise deplete the Rainy Day Fund;
- B. Capital projects which arise after adoption of the annual budget;
- C. Capital projects requiring additional spending authority;
- D. Projects or initiatives of a one-time nature;
- E. Projects that improve government efficiency or services to citizens, including projects to improve the County's administrative functions such as information technology and communication with citizens.

4. Following the expenditures or transfer of funds from the Special Fund the County Commissioners may appropriate and budget such sums, not to exceed One Million Five Hundred Dollars (\$1,500,000.00) per year to replenish the Special Fund.

5. It is the intent in establishing the Special Fund that the any expenditures therefrom be for purpose having an identifiable, measurable return on investment and that projects funded by the Special Fund demonstrate a significant positive return on investment and generally consist of projects of a shorter time frame than those generally considered as capital projects.

WITNESS the hands and seals of the County Commissioners of Queen Anne's County, Maryland the day and year above written.

ATTEST:

THE COUNTY COMMISSIONERS OF QUEEN ANNE'S COUNTY

Appendix X: Debt Policy Revisions

Resolution No. 09-13 – Adopted August 25, 2009 – Revisions highlighted in red font

1. Within each budget cycle, the Director of Budget, Finance, and Information Technology will prepare a six year capital plan showing requirements for the budget year and for the following five years and which shows the source of funds for each capital project.
2. At the end of each financial audit, the Director of Budget, Finance, and Information Technology will review the Capital Fund balance with respect to the six year plan. Each budget will propose an amount to be transferred from the General Fund to the General Capital Fund to serve as Pay-as-you-Go funding in order to lessen the need for future county debt and provide a balanced approach to capital financing.
3. Pursuant to Section 5-4 of the Code of Public Local Laws of Queen Anne's County, Maryland the County may, in addition to any bonded indebtedness, borrow as needed amounts not to exceed \$8,000,000.00 for general operating expenses or capital improvements.
4. Prior to issuance of any bonded indebtedness in excess of the amount provided in Section 5-4 of the Code of Public Local Laws, the Director of Budget, Finance, and Information Technology will certify to the Commissioners that the sum of outstanding General Bonded Debt and the new General Obligation debt proposed:
 - is 2.5% or less of the Total Taxable Assessable Base,
 - is ~~\$3,000~~ 8% or less of per capita median income, and
 - although there is some flexibility in the measurement of debt service compared to general fund expenditures and no absolute limit established by the rating agencies or the Government Finance Officers Association, anything above ~~12~~10% of total general fund expenditures would be a cause to carefully monitor debt service.
5. No more than one of the three measures may be violated (up to 10% over) in any given year. If such an occasion arises, the operating and/or capital budgets shall be revised to bring measures back in line.
6. The Resolution shall be known as “The Queen Anne’s County Debt Policy” and a certified copy of the same shall be mailed to the Maryland State Treasurer.

The Queen Anne’s County Debt Policy shall be reviewed and revised as necessary no later than ~~September 1, 2015~~ September 1, 2020.