

Prince George's County Council

Agenda Item Summary

Meeting Date: 9/14/2004
Reference No.: CB-046-2004
Draft No.: 2
Proposer(s): County Executive
Sponsor(s): Knotts
Item Title: An Act appropriating to the General Fund revenue in excess of budget estimates to provide funds for costs that were not anticipated in the Approved FY2003-2004 budget for various agencies and to transfer surplus appropriations reflecting savings from various County departments

Drafter: Ashley Haymond, OMB
Resource Personnel: Ashley Haymond, OMB

LEGISLATIVE HISTORY:

Date Presented:	6/22/2004	Executive Action:	9/16/2004 S
Committee Referral:	6/22/2004 - C.O.W.	Effective Date:	11/1/2004
Committee Action:	7/6/2004 - HELD 7/13/2004 - HELD 7/21/2004 - FAV		
Date Introduced:	7/13/2004		
Public Hearing:	9/7/2004 - 10:00 AM		
Council Action (1)	9/14/2004 - ENACTED		
Council Votes:	MB:A, SHD:A, TD:N, CE:A, DCH:A, TH:A, TK:A, DP:A		
Pass/Fail:	P		
Remarks:	Retroactive to 6/30/2004		

AFFECTED CODE SECTIONS:

COMMITTEE REPORTS:

COMMITTEE OF THE WHOLE

Date 7/21/2004

9/14/2004: CB-46-2004 amended on the floor; DR-2 enacted

Committee Vote: Favorable with recommended technical amendments (6-0) In favor: Council Members Knotts, Dean, Dernoga, Exum, Harrington, and Peters; Absent: Council Members Bland and Hendershot.

This bill contains additional revisions to the FY2003 - 2004 Operating Budget, as amended by CB-95-2003 and CB-98-2003.

The legislation will transfer appropriations from areas in the budget which are anticipated to under expend the adopted budget amount thereby providing additional expenditure authorization for a number of agencies.

The past year has posed several challenges for the County beginning with Hurricane Isabel, the filing of Chapter 11 bankruptcy by Mirant, Inc. (the County's largest taxpayer), and reductions in State aid. The budget revisions in this bill show approximately \$28.7 million in excess of the budgeted amount. There are additional savings realized in Income Taxes (\$6.4 million), Transfer and Recordation Taxes (\$14.3 million), Intergovernmental Revenues (\$1.0 million) and Telecommunications Taxes (\$7.1 million).

Income tax receipts are estimated to exceed the revised budget by \$6.4 million. The year-to-date collections for FY2004 are \$267.3 million, 5.8% higher than a year ago. The stronger than anticipated growth is mostly attributed to the economic recovery and a one-time policy adjustment by the State in 2004 on the distribution formula.

The other Non-Departmental adjustment of \$4.0 million is due to the increase in retiree health insurance associated with the provisions of prescriptions. The rate increase effective in January for active employees was also imposed on retirees. The increase in the number of retirees also contributed to the rise in cost. Presently, there are approximately 175 retired employees (85 State system and 90 Public Safety).

The Office of Human Resources Management (OHRM) did not include funding for the operations of a consolidated public safety applicant investigative group in the FY2004 budget. Although this Applicant Investigative Group was added to OHRM during the year, the expenses to maintain an AIG staff was not included.

The Office of Central Services received additional funds for operating expenses due primarily to meeting the needs for facility maintenance and janitorial contracts. The FY2004 budget did not adequately reflect the actual operating requirements.

The Volunteer Fire Department overage is caused by an increase in apparatus maintenance costs due to the aging of the heavy apparatus. Also included are the additional expenses associated with rising fuel charges and LOSAP increases.

The Department of Public Works and Transportation operating expenditures exceeded the budget by nearly \$3 million due to multiple weather related events. The hurricane accounts for \$1.8 million. The County has received notification that FEMA will reimburse about \$930,000 of which only \$32,000 has been received.

The Board of Education will receive \$7.1 million from the Telecommunications Tax Reserve in FY2004 because the actual collections in FY2003 exceeded the budget by that amount. State law requires that net proceeds of this tax be fully dedicated to the Board of Education.

The bill contains the following technical amendments:

1. On page 2, line 15, change \$102,595,200 to \$102,595,202.
2. On page 3, line 8, change (\$181,000) to (\$181,100).

There should not be any negative fiscal impact on the County as a result of enacting CB-46-2004.

BACKGROUND INFORMATION/FISCAL IMPACT:

(Includes reason for proposal, as well as any unique statutory requirements)

This legislation will provide for Supplementary Appropriations and Interdepartmental Transfer of Appropriations for the purpose of declaring additional revenue and transferring surplus appropriations reflecting savings from various County Departments.

CODE INDEX TOPICS:

INCLUSION FILES:
