

THE BOARD OF GARRETT COUNTY COMMISSIONERS

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Board of Commissioners

Dennis G. Glotfelty
Ernest J. Gregg
Frederick A. Holliday

County Administrator

R. Lamont Pagenhardt

County Attorney

Gorman E. Getty III

FISCAL YEAR 2008 BUDGET MESSAGE

JUNE 5, 2007

Fiscal Year 2008 Budget is approved at \$80,683,000. This amount is less than that of Fiscal Year 2007 Amended Budget. This difference is largely due to amendments made to Fiscal Year 2007 Budget for the transfer of monies from the General Fund that will be reserved in the Capital Projects Fund to cover project expenses for subsequent years. These include Public Safety Facility, Public Works Facility, Wisp Adventure Road, and other projects listed in the Capital Projects Fund.

Fiscal Year budget comparison totals are noted as follows:

<i>Fiscal Year 2008 Operating and Capital Budget</i>	<i>\$80,683,000</i>
<i>Fiscal Year 2007 Amended Operating and Capital Budget</i>	<i>\$85,151,712</i>
<i>Difference (less)</i>	<i>(\$4,468,712)</i>

The development and growth in the Deep Creek Lake area, as well as countywide, continues to be the primary foundation for an increase in the assessed value of real property tax in Garrett County.

The real property tax for Fiscal Year 2008 is \$1.000 per \$100 of assessable base. Based on the immediate need to direct additional funds for local fire and rescue operations, the Board of County Commissioners requested and was granted legislative authority to increase the special tax levy for volunteer fire departments. For Fiscal Year 2008, the real property tax rate, excluding the Fire Tax, was reduced from \$0.940 to \$0.935 and the special fire tax levy was increased from \$0.020 to a rate of \$0.025. This change, in addition to an increase in real property assessments, will direct over \$300,000 additional funds to volunteer fire associations. Fiscal Year 2008 Budget again includes a tax setoff to the Town of Oakland and the Town of Mountain Lake Park in accordance with the provisions of the Tax Property Article of the Annotated Code of Maryland. The County will include a property tax differential rate with respect to property tax payable by residents of the Town of Oakland of \$0.925 and by residents of the Town of Mountain Lake Park of \$0.942.

General Government comprises 9% of the total Budget for Fiscal Year 2008. Funds have been directed to the completion of the County Comprehensive Plan, County Water and Sewer Master Plan, renovations/repairs of the Frederick A. Thayer, III Court House and County Government Administrative Building, and other improved infrastructure.

Public Safety, again for Fiscal Year 2008, comprises 10% of the comprehensive budget with funds appropriated to the Sheriff's Department, Detention Center, Animal Control, Emergency Management, Volunteer Rescue Squads and Fire Departments, and Emergency Medical Services. Funding is again directed to the Length of Service Award Program (LOSAP)

for active volunteers of the Garrett County Emergency Services. Planning continues for the new Detention Center planned for construction in Fiscal Year 2009.

Public Works continues to be the second largest designation of general fund revenue for Fiscal Year 2008 with 21% of the total budget appropriated for the County Roads Department. The County Roads Department is projecting 80 miles of road repairs for Fiscal Year 2008 with an emphasis on bituminous overlay, tar and chip maintenance, and the conversion of existing dirt roads to triple surface tar and chip. Project work will include two major bridge replacements (Swanton and Fish Hatchery) and the continuation of the Oakland Third Street and Bayard Corona Bridge projects outlined in the Capital Projects Fund section of the budget.

Garrett County **Enterprise Funds** are the Department of Public Utilities-Garrett County Sanitary District, Inc., Garrett County Airport, and Department of General Services-Division of Solid Waste and Recycling. Including the Enterprise Funds, operating and capital budgets of **Public Works** total is \$39.4 million. The Department of Public Utilities (which has an operating and capital budget of \$11.6 million) and Division of Solid Waste and Recycling (with a total operating and capital budget of \$3 million) require no appropriation from the general fund to fund general operating or capital expenditures for these enterprise fund agencies.

The County continues to focus on the expansion of water and wastewater infrastructure with the Department of Public Utilities/Garrett County Sanitary District, Inc. This department is projecting the completion of over \$19.6 million in expansion of public utility services over the next four years. Ongoing systems maintenance and project oversight will be a priority.

The County Airport received an appropriation of \$330,323. In cooperation with the Federal Aviation Administration and the Maryland Aviation Administration, the County has appropriated funds for expansion at the Garrett County Airport. The completion of this project will have long-term economic development benefits.

Construction of the Public Works Facility to include the Roads Department Oakland Area Garage, the Department of Public Utilities and Engineering administrative offices, the Community Action Transit Facility, and a central warehouse will take place in Fiscal Year 2008. Engineering and design continues for the construction of Wisp Adventure Road which will begin in Fiscal Year 2009.

The largest expenditure in the Budget for Fiscal Year 2008 is **Education**. The County has apportioned 46% for total operating, debt service and capital projects for the Board of Education, Garrett College, and The Ruth Enlow Library of Garrett County. Additional funding was approved for salary adjustments and additional staffing for Garrett College personnel. Capital funds have been appropriated for the renovation of Northern Garrett Middle School, additional classroom space at Grantsville Elementary, escrow funding for the planned Community Athletic and Recreation Center, and facility and building improvements for branches of the Ruth Enlow Library for Garrett County. For the second fiscal year, funding is in place for the Commissioners' Scholarship Program.

The Board of County Commissioners continues to identify **Economic Development** as a top priority. County funding has provided demonstrated results in the improvement of infrastructure, access to capital, and the focus on skill based development. For Fiscal Year 2008, funding is in place for the development of the McHenry Business Park and Keyser's Ridge Industrial Park. The Board of County Commissioners will again promote growth and expansion of existing business and make the County attractive to potential new industries.

Debt Service for Fiscal Year 2008 includes debt service payments of \$549,230. The total debt service payments for this period is less than 1% of the total operating and capital budget. Even though the budget includes approximately \$16.5 million directed for capital outlay and capital projects, the County possesses the financial resources to provide the funding of these projects without incurring additional debt. Funding will be appropriated from grant funds, general fund revenues, the unreserved/undesignated fund balance, and the unreserved/designated fund balance.

The Board of County Commissioners, the County Administrator, and Department of Financial Services staff, as part of the Five-Year Capital Improvement Plan, review approaching fiscal year commitments for capital funding allocations. The Capital section of the budget outlines capital improvement projects and capital equipment purchases.

The County is committed to financial and strategic planning that will rely on long-range business decisions. The County must continue to operate more efficiently and proficiently than at any time in the past. The provision of public services to the citizenry of Garrett County will continually be enhanced and improved by our team of dedicated and proficient employees.

The Board of County Commissioners will continue to prioritize the appropriation of public funds and apply wise judgment to effectively serve the citizens of Garrett County.



GARRETT COUNTY BOARD OF COUNTY COMMISSIONERS

Ernest J. Gregg, Chairman
Dennis G. Glotfelty, Commissioner
Frederick A. Holliday, Commissioner



Fiscal Year 2007 & 2008 Budget Comparison

Fiscal Year 2008 Operating & Capital Budget outlines county services by the following sections with appropriate expenditures of those services:

	AMENDED FY 2007 YTD	APPROVED FY 2008	VARIANCE
General Government	\$ 6,752,386	\$ 7,628,931	\$ 876,546
Public Safety	7,456,419	7,945,572	489,154
Public Works	14,852,284	17,266,238	2,413,954
Community Health	1,360,837	1,320,991	(39,846)
Education	31,018,074	36,978,806	5,960,732
Culture and Recreation	792,000	42,000	(750,000)
Public Service	255,401	311,005	55,604
Economic Development	9,190,476	1,512,931	(7,677,545)
Economic Opportunity	1,459,222	1,628,841	169,619
Transfer to Capital Projects	9,868,372	4,990,156	(4,878,216)
Transfer to Enterprise Funds	1,305,134	330,323	(974,811)
Miscellaneous	841,108	727,205	(113,903)
	\$ 85,151,712	\$ 80,683,000	\$ (4,468,713)

Debt service and Capital Expenditures are included with each department total and in the above budget categories. Detailed descriptions of all debt service obligations and capital expenditures are listed in their appropriate sections of the budget report.

A breakdown of debt service and capital expenditures follows:

	FISCAL YEAR 2007	FISCAL YEAR 2008	VARIANCE
Debt Service	\$ 731,452	\$ 549,230	\$ (182,222)
Capital Expenditures	\$ 8,120,961	\$ 11,496,080	\$ 3,375,119



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June 5, 2007

The Board of Garrett County Commissioners
203 South Fourth Street
Court House
Oakland, MD 21550

Dear Commissioners:

Our organization continues to enhance our responsiveness to the citizenry of Garrett County and improve our proficiency in the delivery of public services. The approval of this operating and capital budget reflects the standard our employees provide and which you have established for the future. Certainly there must be a balance between requests for funding, that needs to be evaluated very closely, and available revenue. We are fortunate that financial management over past fiscal years has again positioned the County to move ahead and assertive solid financial practices are in place and will continue in Fiscal Year 2008 and beyond.

As in previous years, actual expenditures were evaluated, along with statistical estimation, in calculating anticipated revenue and projected expenditures. More so this year than past years, planning for this budget centered on a longer term and multi-year evaluation of revenue and expenses.

As in the past, Garrett County Government must not rely on past efforts to ensure a perpetuation of development and progress. I am proud of our achievements in prior fiscal years but we cannot underestimate the challenges ahead in subsequent years. I am also confident in our ability to succeed and remain a financially solvent government in spite of anticipated State of Maryland cutbacks. Planning for future budgets for Fiscal Years 2008 and 2009 include a capital project plan that has to be balanced with the principle for sustainable growth and balance. Garrett County Government must continue to focus on the future.

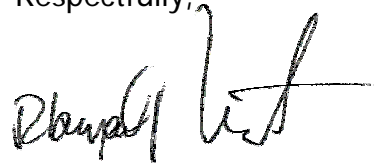
We have an outstanding team who will assure you of achieving the objectives you set forth which must be consistent and well thought out.

The efforts of this Board of County Commissioners, the professional competencies of our responsible department heads, the expertise of other component agency managers, and the dedication and hard work of all our employees will guarantee that this budget and future budgets are achievable. Our organization has many strengths, but none greater than our dedicated employees. I believe we have the vision in place to gauge our success with our organizational culture capable of

employee involvement. Pages of the budget contain pictures of many of our dedicated employee workforce who, day in and day out, embody the County's excellence in public service.

I am looking forward to the opportunities of the future and the challenge of accomplishing the many goals and objectives that are ahead.

Respectfully,

A handwritten signature in black ink, appearing to read "R. Lamont Pagenhardt". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

R. Lamont Pagenhardt,
County Administrator