

THE BOARD OF GARRETT COUNTY COMMISSIONERS

203 South 4th Street - Courthouse - Room 207, Oakland, Maryland 21550

www.garrettcounty.org • countycommissioners@garrettcounty.org

301-334-8970

301-895-3188

FAX 301-334-5000

Board of Commissioners

David C. Beard
Ernest J. Gregg
Frederick A. Holliday

County Administrator

R. Lamont Pagenhardt

County Attorney

Gorman E. Getty III

FISCAL YEAR 2007 BUDGET MESSAGE

JUNE 6, 2006

Fiscal Year 2007 Budget reflects a decrease of \$2,552,659 in total revenue when compared to the Fiscal Year 2006 Approved and Amended Budget. This difference is largely due to amendments made to the Fiscal Year 2006 Budget for the transfer of monies from the County's fund balance for Capital Projects.

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.

These totals are noted as follows:

Fiscal Year 2007 Operating and Capital Budget	\$ 66,816,257
Fiscal Year 2006 Amended Operating and Capital Budget	<u>\$ 69,368,916</u>
Difference	\$ (2,552,659)

Fiscal Year 2007 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 the residents of the Town of Mountain Lake Park of \$0.945.

General Government departments reflect an increase in funding for Fiscal Year 2007 of \$1,027,447, which is a 16.45% increase over Fiscal Year 2006. General Government comprises 11% of the total Budget for Fiscal Year 2007. The most significant appropriation of supplementary funds is for the Department of General Services for the increase in utility cost and a number of capital improvement projects. Legislation requested by the Board of County Commissioners and approved by the Maryland General Assembly in 2005 authorizes the County to regulate paper gaming with net proceeds directed to local fire and rescue companies in Fiscal Year 2007.

Public Safety, again for Fiscal Year 2007, comprises 10.5% 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. One (1) additional deputy has been approved and planning continues for the construction of a new Public Safety Center, estimated to commence in Fiscal Year 2008. Funds have been allocated for Emergency Medical Services that will be used for retirement incentives for volunteer fire and rescue personnel with plans to appropriate funding to assure of high quality prehospital emergency medical care to every resident and visitor to Garrett County.

Public Works continues to be the second largest designation of general fund revenue for Fiscal Year 2007 with 22% of the total budget appropriated for the County Roads Department. The County Roads Department is projecting 91 miles of road repairs for Fiscal Year 2007 with an emphasis on bituminous overlay (51 miles), tar and chip maintenance, and the conversion of existing dirt roads to triple surface tar and chip (33 miles) and conversion to triple surface tar/chip (7 miles). Project work will include three (3) major bridge replacements on Legeer, Fish Hatchery, and Savage River Roads and the continuation of the Oakland Third Street and Bayard Corona Bridge projects, outlined in the "Capital Projects" section of the budget.

The **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 just under \$36 million. The Department of Public Utilities (which has an operating and capital budget of \$22.2 million) and Division of Solid Waste and Recycling (with a total operating and capital budget of \$2.7 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 just over \$29,500,000 in expansion of public utility services over the next 4 years. Ongoing systems maintenance and project oversight will be a priority.

The County Airport received an appropriation of \$1,305,134. 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.

The largest expenditure in the Budget for Fiscal Year 2007 is **Education**. The County has apportioned 43% for total operating, debt service and capital projects for the Board of Education, Garrett College, and The Ruth Enlow Library of Garrett County. Capital funds have been appropriated for a roof replacement at Crellin Elementary School, additional classroom space at Grantsville Elementary, renovations at Northern Garrett Middle School, boiler replacement at Southern Garrett Middle School, construction of maintenance building at Garrett College, 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.

The Board of County Commissioners continues to identify **Economic Development** as a top priority. The Board is committed to completing the construction of the Exhibit/Trade Center with funding in place to make this project a reality. Funds are again designated to the Adventure Sports Center Complex. County funding has provided demonstrated results in the improvement of infrastructure, access to capital, and the focus on skill based development. 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 2007 includes debt service payments of \$549,185. The total debt service payments for this period will be less than 1% of the total operating and capital budget. Even though the budget includes approximately \$38,000,000 in capital projects in progress, not including the Community Athletic Recreation Center, 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 (\$1,336,569), and the unreserved/designated fund balance (\$1,500,000).

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 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
David C. Beard, Commissioner
Frederick A. Holliday, Commissioner



Fiscal Year 2006 & 2007 Budget Comparison

Fiscal Year 2007 Operating & Capital Budget outlines county services by the following sections with appropriate expenditures of those services:

	AMENDED FY 2006 YTD	APPROVED FY 2007	VARIANCE
General Government	\$ 6,245,017	\$ 7,272,464	\$ 1,027,447
Public Safety	5,776,736	7,013,249	1,236,514
Public Works	13,878,387	14,852,366	973,979
Community Health	1,157,035	1,172,570	15,535
Education	26,557,179	28,771,256	2,214,077
Culture and Recreation	78,383	42,000	(36,383)
Public Service	150,868	255,401	104,533
Economic Development	3,920,136	2,367,414	(1,552,722)
Economic Opportunity	859,099	1,158,053	298,954
Transfer to Capital Projects	8,832,348	1,880,646	(6,951,702)
Transfer to Enterprise Funds	750,703	1,305,134	554,431
Miscellaneous	1,163,026	725,705	(437,321)
	\$ 69,368,916	\$ 66,816,257	\$ (2,552,659)

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 2006	FISCAL YEAR 2007	VARIANCE
Debt Service	\$ 683,480	\$ 549,185	\$ (134,295)
Capital Expenditures	\$ 4,204,782	\$ 5,292,120	\$ 1,087,338



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June 6, 2006

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. Financial management over past fiscal years has again positioned the County to move ahead. Assertive solid financial practices are in place and will continue in Fiscal Year 2007.

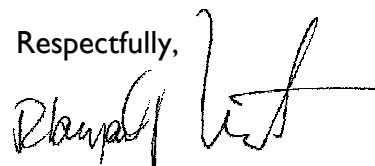
As in previous years, actual expenditures were evaluated, along with statistical estimation, in calculating anticipated revenue and projected expenditures for Fiscal Year 2006.

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. As we proceed with a very aggressive capital project plan and at the same time implementing a plan for sustainable growth and balance, I would prefer to focus on the road ahead. We have an outstanding team and solid road map in place. Our fundamental objectives continue to 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 is achievable. Our organization has many strengths, but none greater than our dedicated employees. These employees, day in and day out, embody the County's excellence. Employees will continue to be awarded for their achievement with an approved merit and cost of living compensation adjustment. We have the vision in place to gauge our success with our organizational culture capable of employee involvement.

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

Respectfully,



R. Lamont Pagenhardt,
County Administrator