

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 (46<sup>th</sup>) 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