

COUNTY OF MONTGOMERY

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Montgomery County FY2021 Budget County Manager's Budget Message

September 1, 2020

The proposed FY2021 Montgomery County general fund budget is balanced with an ad valorem tax rate of sixty-one and one-half cents (.615) per \$100 value. Being a property revaluation year, the County is required to publish a revenue neutral tax rate with its budget. This tax rate identifies the level of taxation needed to yield revenue equal to the previous year plus an allowance for growth. In rates rounded to the half cent, the revenue neutral tax rate for Montgomery County is fifty-eight and one half cents (.585) and the allowance for average growth is one cent, thus making the effective revenue neutral rate to be fifty-nine and one-half cents (.595).

A revenue neutral .595 general fund budget was presented to the Board of Commissioners at a work session on August 18th. After a subsequent presentation on salary discrepancies between our County employees and their respective employment counterparts in neighboring counties, a majority of the Board directed staff to prepare a budget, with salary recommendations, based on a two cent tax increase above revenue neutral. This following budget includes a line item allocation of \$681,624 (representing a two cent collection of ad valorem taxes). Prior to the adoption of the FY2021 budget, which is advertised for their regular meeting on September 15th, the Board will decide on the appropriate disbursement of these funds.

Once adopted, the FY2021 budget will be retroactive to July 1, 2020. The County has been operating on a continuing resolution budget since the beginning of the fiscal year due to the COVID-19 pandemic. Publication of individual property values, which is necessary for the budget process during a revaluation year, was delayed in the spring due to the COVID-19 pandemic and the Governor's Phase 1 orders. The Board of Commissioners adeptly managed County operations during a period when gatherings were strongly discouraged, and the property valuation process was conducted in accordance with general statutes as restrictions were lifted. Likewise, the Commissioners have gauged the economic impact of the pandemic on revenue sources other than ad valorem collections. The budget presented herein includes a five percent reduction of sales tax revenue from the amount budgeted in FY2020, in accordance with recommendations and projections from the State.

The FY2021 budget contains revenue projections and corresponding expenditures for a new six percent (6%) lodging occupancy tax in the County. The tax was adopted by the Board in March 2020, and the funds collected will support the operations of a newly tooled Tourism Development Authority, administered by Board appointees Win Dozier, Chris Cagle, and John Shaw. Along with assistance from presumptive District 1 Commissioner Dana Dawson, the Board has been active since the start of the fiscal year with a finely honed intention of spurring economic development in Montgomery County through tourism related business growth.

The FY2021 budget continues the Board's practice, since the initial vote in 2015, to allocate a true five (5) cents of the ad valorem tax base toward the construction and upkeep of educational facilities. Along with the proceeds from the voter passed quarter cent (1/4) sales tax, and in addition to annual general operating budget allocations made to Montgomery County Schools and Montgomery Community College, this fund ensures that our students, pre-K through Associate's Degree, will have proper, sound, and safe physical learning environments throughout the County.

After the spring and summer we all experienced, the goal of being sound and safe seems much loftier than it once did. With the pandemic, episodes of merciless police brutality, and with nation-wide protests and counter-protests, we are in a period of chaos and uncertainty. We all look forward to better days and a time where all people have equal opportunity and are judged equally for their actions.

For their part, the employees of Montgomery County are certainly worthy of praise. Throughout this spring and summer, our employees kept the doors and services of County government open, kept businesses and industry moving, and provided assistance to those most negatively impacted by the pandemic. It is an honor to work with people who, by their actions, set an example for the County, State, and even the Country. They were the first to mandate mask wearing, the first to offer free COVID-19 testing in all of their municipalities, and the first to open the doors to the public with the determined commitment to serve while being safe. It is a pleasure to work with you all.

Going on ten years now, I have worked for eleven different Commissioners and five different Chairpersons on the Board. Despite that degree of turnover, the Board has allowed me to voice a distinct direction for the County. With very few exceptions, these Boards have unanimously supported my recommendations and actions over the last decade. I am very proud of the many things we have set out to accomplish and have accomplished, as well as for the things we have set out to avoid and have avoided- as financially those could have been more costly than what was accomplished.

I anticipate this will be my last budget here in Montgomery County. Being at a suitable time, it is both felicitous and opportune to search out new responsibilities. As I begin the process of directing this next chapter in my life, I want to collectively acknowledge, and thank, the many people who have helped me. I am forever indebted for their generosity and friendship. Thank you, my friends.

Respectfully Submitted,

A handwritten signature in blue ink that reads "Matthew M. Woodard". The signature is written in a cursive, flowing style.

Matthew Montgomery Woodard
County Manager