

**DIRECTION TO THE COUNTY MANAGER
FOR PREPARATION OF THE FY 2022 BUDGET**

Adopted 11/17/2020

The County Board directs the County Manager to prepare a FY 2022 budget that is responsive to the health and safety needs of our community while prioritizing those basic human needs of health, secure housing, and food. The budget should reflect a range of economic forecasts from a worst case to best case assessment. The budget should follow the County's vision; ensure long-term financial sustainability; preserve the County's triple-AAA bond rating; and fully fund all debt, lease and other contractual commitments including those "subject to appropriation" in the base budget.

The COVID-19 pandemic and associated economic downturn have continued to create great uncertainty in the fiscal health of the County, the needs of our community, and the potential for federal assistance. Preliminary indications from the County Manager project a significant gap between projected revenues and necessary expenditures for FY 2022. As more is known about health, economic conditions, revenue trends, expenditure pressures, and potential federal assistance, the County Manager shall update the County Board and residents in a timely manner, to allow revisions of this direction if appropriate.

The County Manager is further directed to propose a balanced budget, that, given the uncertainty of revenue forecasts, provide options including:

1. Utilization of one-time funding not exceeding 50% of the gap (e.g., additional federal/state funding and appropriate use of the Stabilization Reserve).
2. Reductions to programs and services (described below).
3. Potential for tax rate increases to support the community's response to COVID-19 and resilience. In addition to the real property tax, proposals incorporating options in recently adopted legislation allowing for increased cigarette taxes and implementation of a plastic bag tax should be presented.
4. Assuming reductions will be required to current County Government operations in order to balance the budget, the proposed budget should address the following:
 - a. Recognizing that the County's workforce is integral to the County's operational performance and COVID-19 response, present compensation and benefit enhancements. Given the severity of the economic downturn, adherence to the Total Compensation Philosophy, including merit-based compensation increases, is unlikely; however, other options are encouraged.
 - b. The impact to services and facilities during COVID-19:
 - i. Enumerate the changes to services and facility use that have occurred during the pandemic.

- ii. Recognizing that the duration of the economic downturn is uncertain, present options for near and mid-term continuation of service and facility use changes and their budget, programmatic and operational impact.
5. Funding options for:
 - a. Affordable housing with a primary focus on eviction prevention and housing grants while maintaining the ongoing level of funding for AHIF;
 - b. Food Assistance;
 - c. COVID-19 testing, contact testing, PPE, and vaccine programs;
 - d. Lubber Run Community Center: options for a targeted opening of Lubber Run. Given the size, amenities and central location in the County, these options should be part of a comprehensive approach to support targeted services at appropriate community facilities;
 - e. Long Bridge Aquatics and Fitness Facility: Continue with the planned utilization of Boeing Corporation funds to begin operations of the Long Bridge Aquatics and Fitness Facility in FY 2022;
 - f. Rank Choice Voting;
 - g. Staffing to support collective bargaining implementation; and
 - h. Recommendations from the Police Practices Group.
6. Provide an update on the Stormwater Funding Feasibility Study with an evaluation of the advantages and disadvantages of moving to a utility model; including options for fee levels and impacts on different property types compared to the current stormwater tax rate. Identify the funding necessary, including an increase in the stormwater tax rate to support the near-term stormwater capital projects approved as part of the November 2020 bond referenda in order to ensure timely implementation of these projects. This direction recognizes that implementation of a utility model, if approved given the policy trade-offs, will require at least eighteen to twenty-four months to implement.
7. Propose a budget that is consistent with the Equity Resolution adopted by the County Board.
8. Provide funding consistent with the Principle of Revenue Sharing and apply the County/School revenue allocation reflected in the FY 2021 adopted budget (53% County / 47% Schools).