

Presentation for the
Prince George's County Council Winter Retreat

Prince George's County Financial Overview

December 14, 2022



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County Executive
"Prince George's Proud"

Agenda

- Economic Outlook
- Long-Term Fiscal Outlook
- General Fund Outlook
- Tax Credit Effects
- Debt Outlook

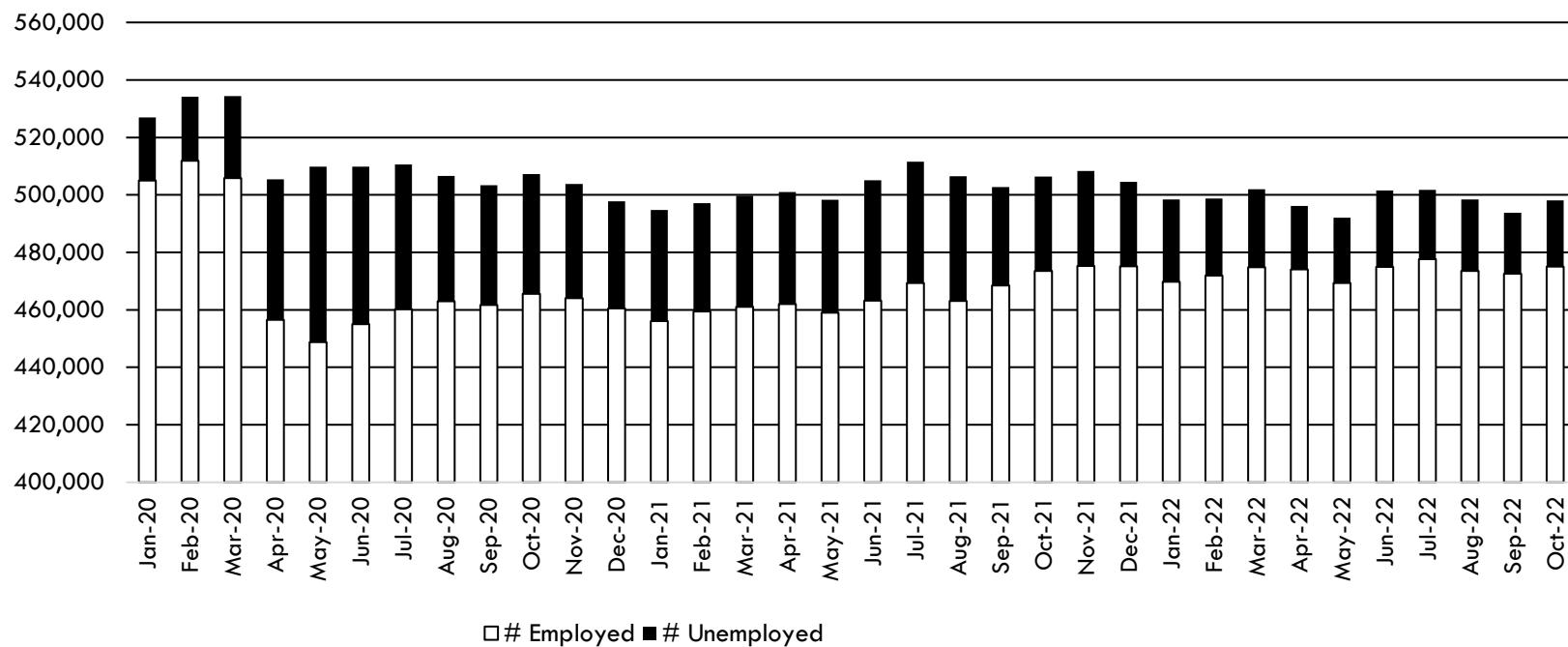
Economic Outlook

County Labor Force

- The County labor force (number of employed and unemployed) fell by approximately 34,000 during the pandemic and has not rebounded.
- Some portion of the workforce retired, died, or has stopped looking for employment.

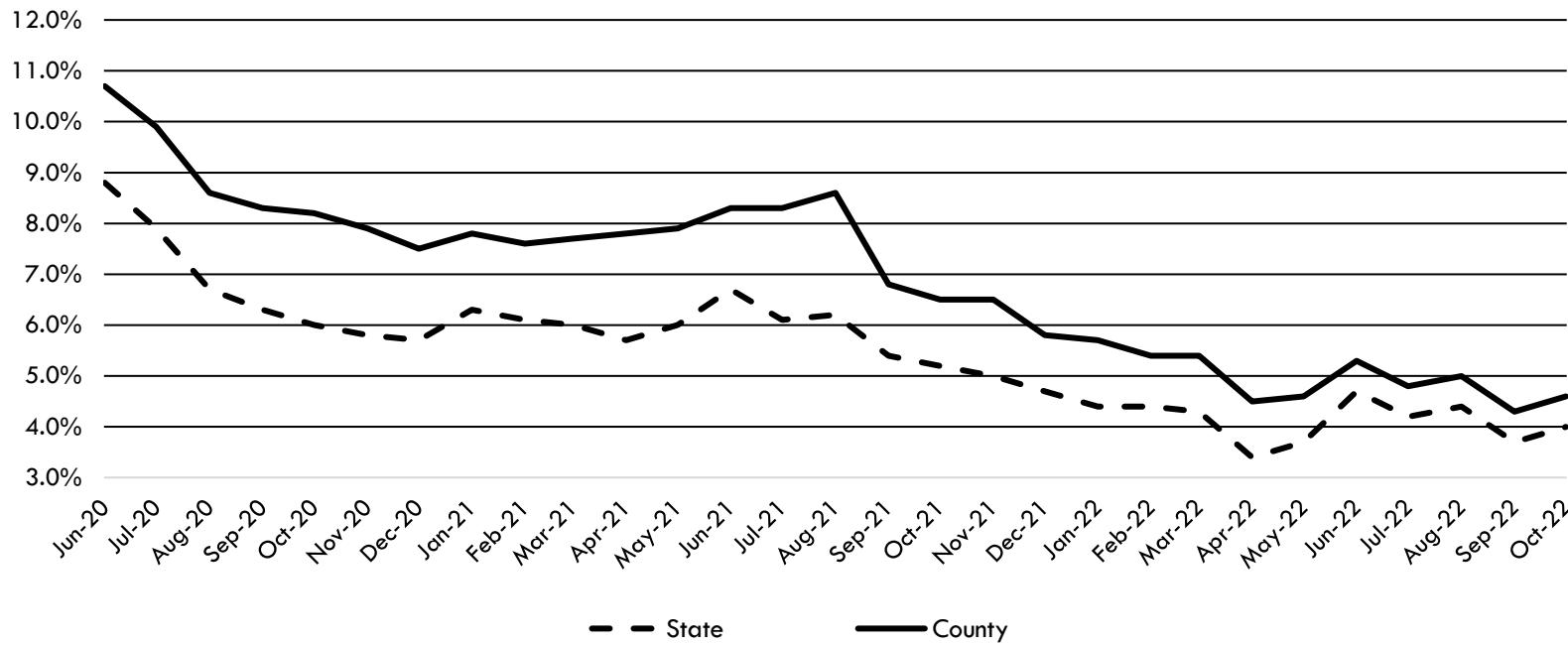
Prince George's County Labor Force Trends

(Source: Maryland Department of Labor)



Unemployment Rate: County vs. State

Unemployment Rate: County vs. State
(Source: Maryland Department of Labor)



- The County had the 5th highest unemployment rate in the State in October 2022 at 4.6% compared to 4.0% statewide.
- The County had tracked with State unemployment rates until the pandemic. The gap is nearly closed but many lower wage jobs remain unfilled.

Average Annual County Employment by Sector

Industry	4Q CY 2019		4Q CY 2021		4Q 2019-4Q 2021
	Jobs	% of Jobs	Jobs	% of Jobs	% Change
Trade, Transportation & Utilities	61,953	19%	61,179	20%	-1.2%
Professional & Business Services	40,249	12%	39,654	13%	-1.5%
Local Government	41,648	13%	40,190	13%	-3.5%
Education & Health Services	35,790	11%	32,463	11%	-9.3%
Construction	28,970	9%	27,381	9%	-5.5%
Leisure & Hospitality	36,361	11%	31,326	10%	-13.8%
Federal Government	26,819	8%	29,768	10%	11.0%
State Government	22,879	7%	18,091	6%	-20.9%
Other Services	12,362	4%	8,348	3%	-32.5%
Financial Activities	11,735	4%	10,306	3%	-12.2%
Manufacturing	7,992	2%	7,046	2%	-11.8%
Information	2,868	1%	2,422	1%	-15.6%
Natural Resources & Mining	98	0%	107	0%	9.2%
Total:	329,724	100%	308,281	100%	-6.5%

- The County remains 21,500 jobs (-6.5%) below pre-pandemic levels.
- Half of the job losses remain in the Leisure and Hospitality industry, which has yet to fully recover nationwide, and State Government which has double-digit vacancy rates due to uncompetitive pay levels.

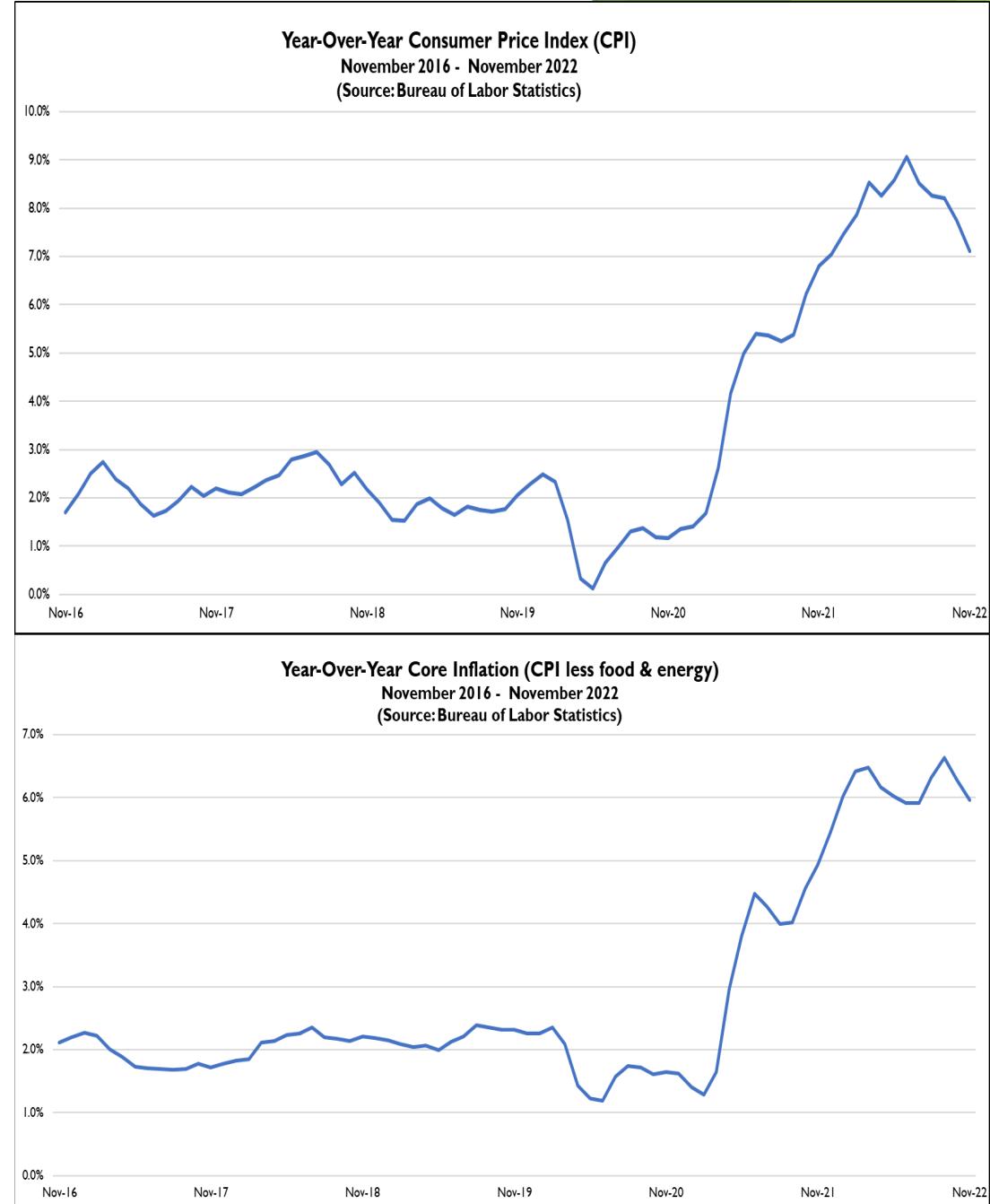
County Jobs Trends

- The County gained 9,950 jobs on average (+3.3%), between the 4th quarter of CY 2020 and the 4th quarter of CY 2021.
- County job growth was 4th highest among the larger counties but lagged the statewide growth rate of 5.7% during this period.

Name	4Q 2020	4Q 2021	Change	% Change
Harford	92,280	94,336	2,056	2.2%
Frederick	98,692	101,375	2,683	2.7%
Anne Arundel	258,216	265,718	7,502	2.9%
Prince George's	298,371	308,321	9,950	3.3%
Baltimore City	328,338	344,590	16,252	4.9%
Baltimore	354,733	372,424	17,691	5.0%
Montgomery	443,184	477,245	34,061	7.7%
Howard	160,348	177,944	17,596	11.0%
Maryland	2,544,639	2,688,792	144,153	5.7%

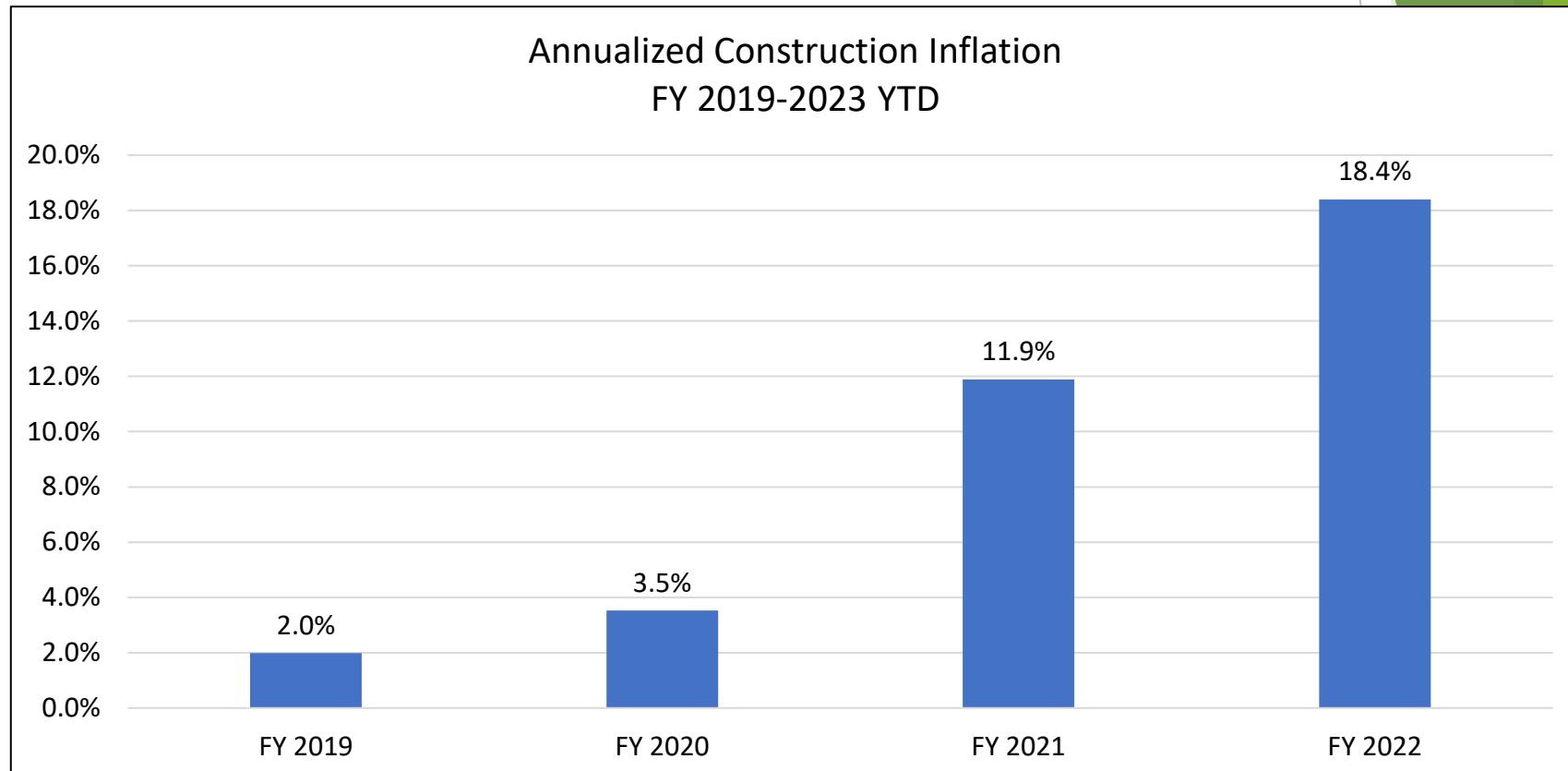
National CPI Growth

- Since the pandemic, inflation has risen due to supply chain problems, as well as energy and food cost growth due in part to the war in Ukraine.
- Inflation grew at a year-over-year rate of 7.1% in Nov. 2022.
- Moody's Analytics predicts 8.1% inflation for CY 2022 and 4.0% for CY 2023.
- Core inflation (less energy and food) also grew during this period and is at 6.0% in Nov. 2022.



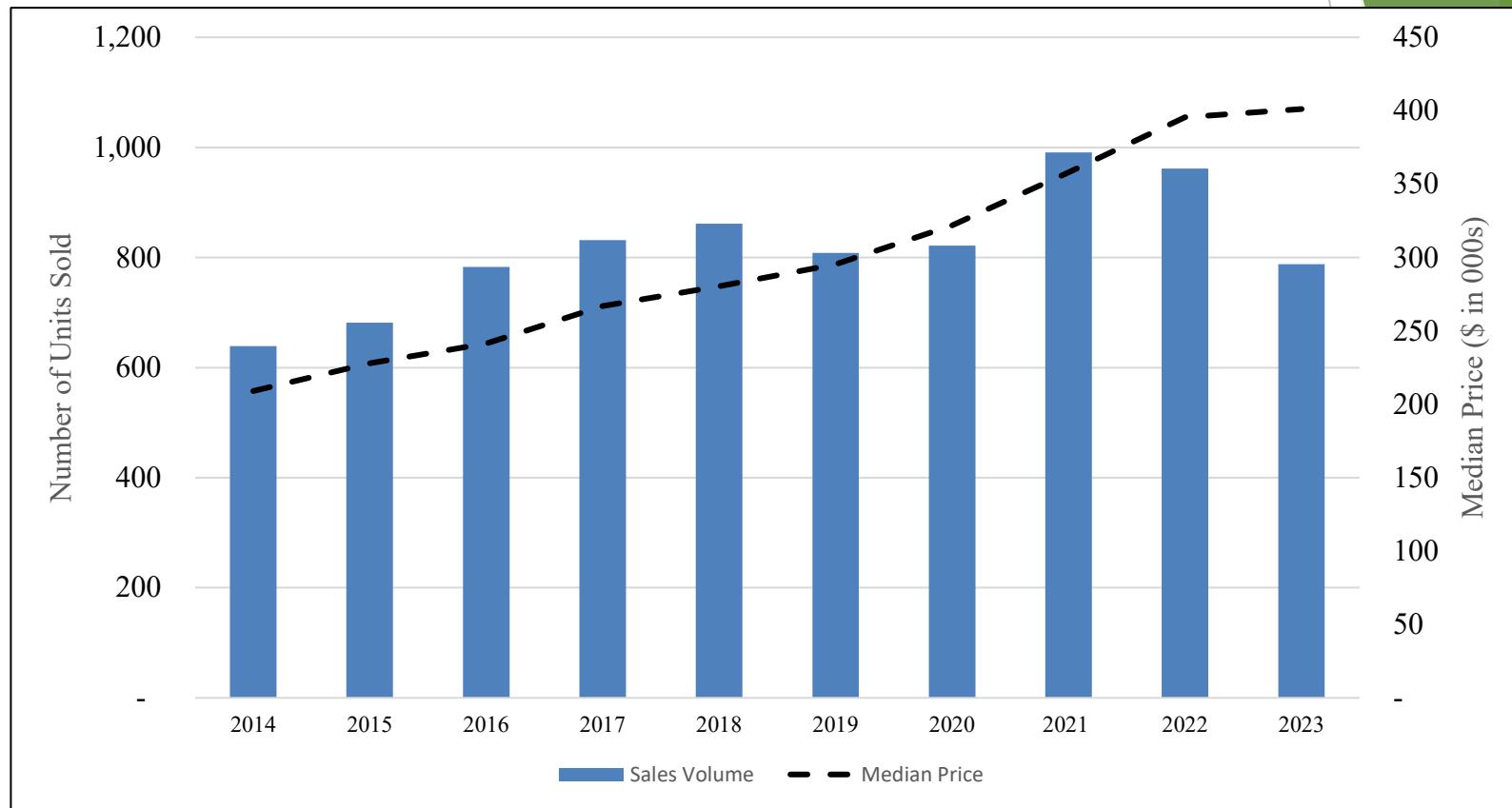
Construction Cost Index

- Construction costs grew 12% in FY 2021 and over 18% in FY 2022.
- Higher construction costs will reduce the purchasing power of the County's capital program.



Housing Trends- Median Sales Price & Volume

- Through the first 4 months of the fiscal year home sales have averaged 788 units sold per month and a median price of \$401,300.
- Transfer and Recordation tax revenue is on track to meet the \$187.2 million estimate.

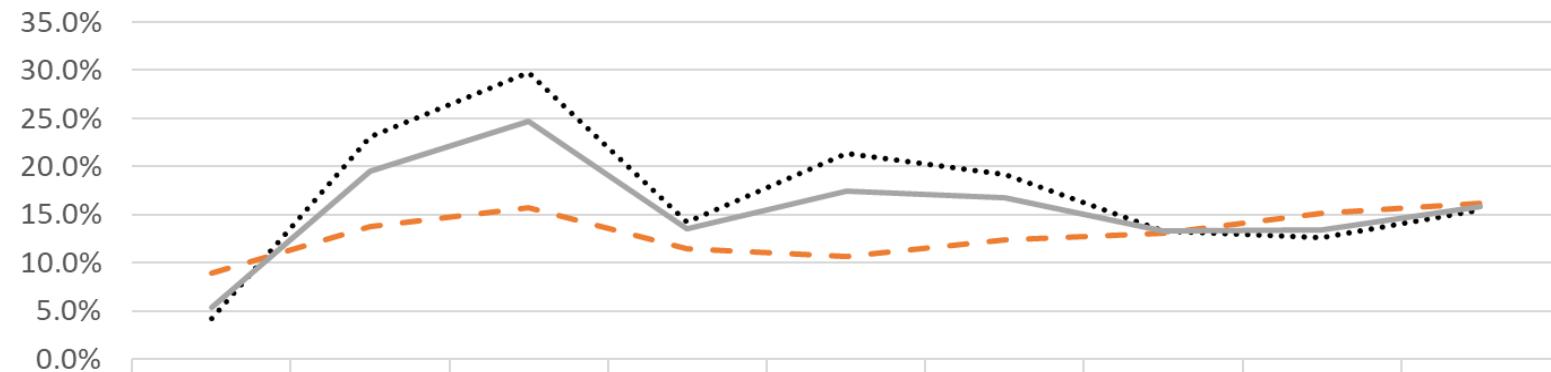


Change in Statewide Assessment Values FY 2015 – FY 2023

- For 2022 (FY 2023) the County is 6th in statewide assessed value growth at 15.8%.
- Due to inflation the Homestead Tax Credit grew at the maximum 5% rate in FY 2023 and will grow at 5% again in FY 2024.

Percent Change in Group Reassessments before Annual Phase-In
FY 2015 - FY 2023

(Source: Maryland State Department of Assessments and Taxation)



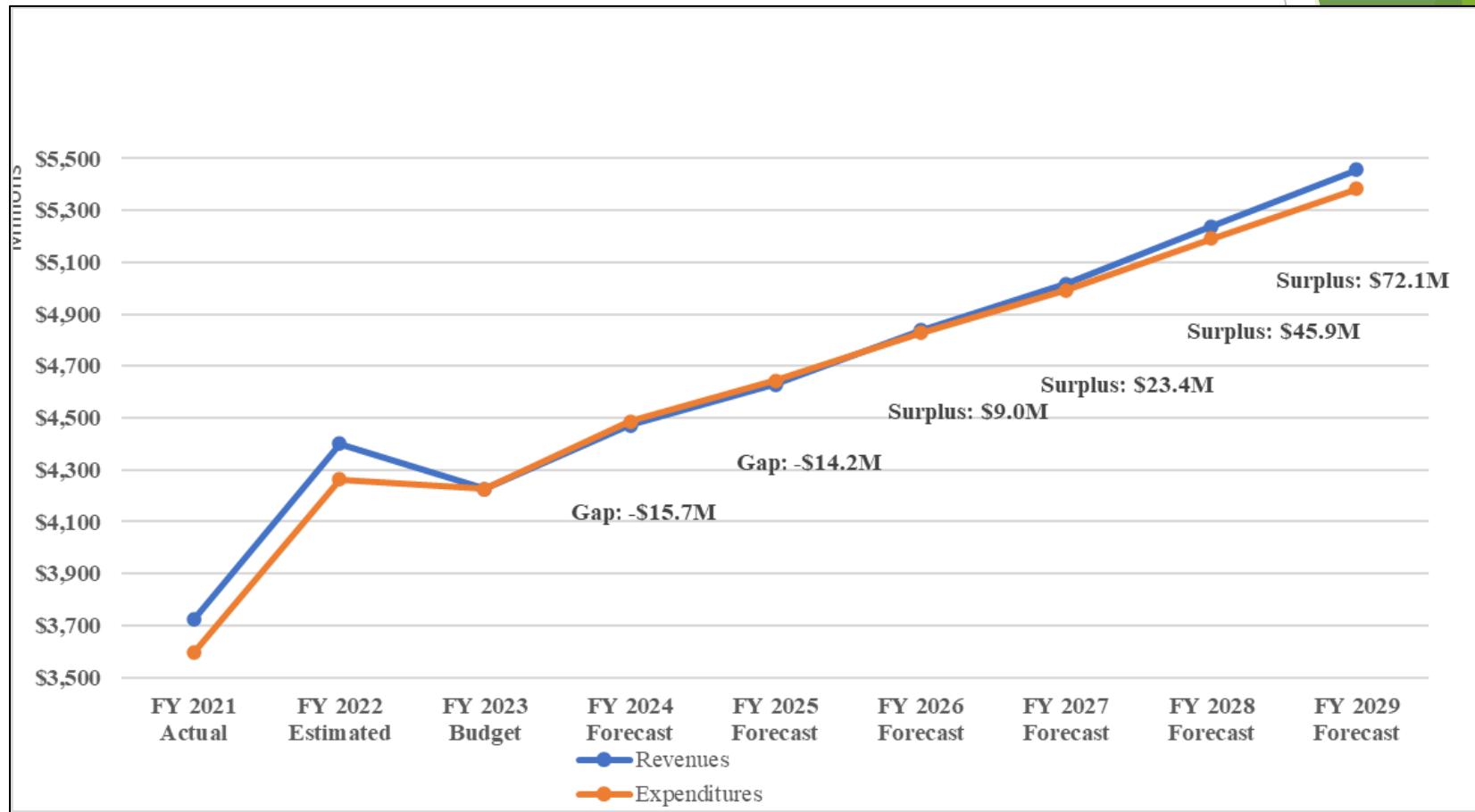
	FY 2015 (Group 2 Jan 2014)	FY 2016 (Group 3 Jan 2015)	FY 2017 (Group 1 Jan 2016)	FY 2018 (Group 2 Jan 2017)	FY 2019 (Group 3 Jan 2018)	FY 2020 (Group 1 Jan 2019)	FY 2021 (Group 2 Jan 2020)	FY 2022 (Group 3 Jan 2021)	FY 2023 (Group 1 Jan 2022)
Residential	4.2%	23.1%	29.8%	14.2%	21.4%	19.2%	13.3%	12.6%	15.5%
Commercial	8.9%	13.8%	15.7%	11.5%	10.6%	12.4%	13.1%	15.1%	16.2%
All Property	5.3%	19.5%	24.7%	13.5%	17.5%	16.8%	13.3%	13.4%	15.8%

..... Residential - - - Commercial — All Property

Long-Term Fiscal Outlook

General Fund: Six Year Forecast

- While the outlook has improved, there are shortfalls projected in the range of -\$15.7 million in FY 2024 and \$14.2 million in FY 2025.
- While surpluses are currently projected in the FY 2026-2029 period the income tax forecast is likely overstated and will be revised downward.



Fiscal Challenges: A Structural Budget Gap

Following an expected downward revision in the income tax, a structural gap between revenue growth and expenditure growth is expected throughout the FY 2024-2029 forecast due to the factors below:

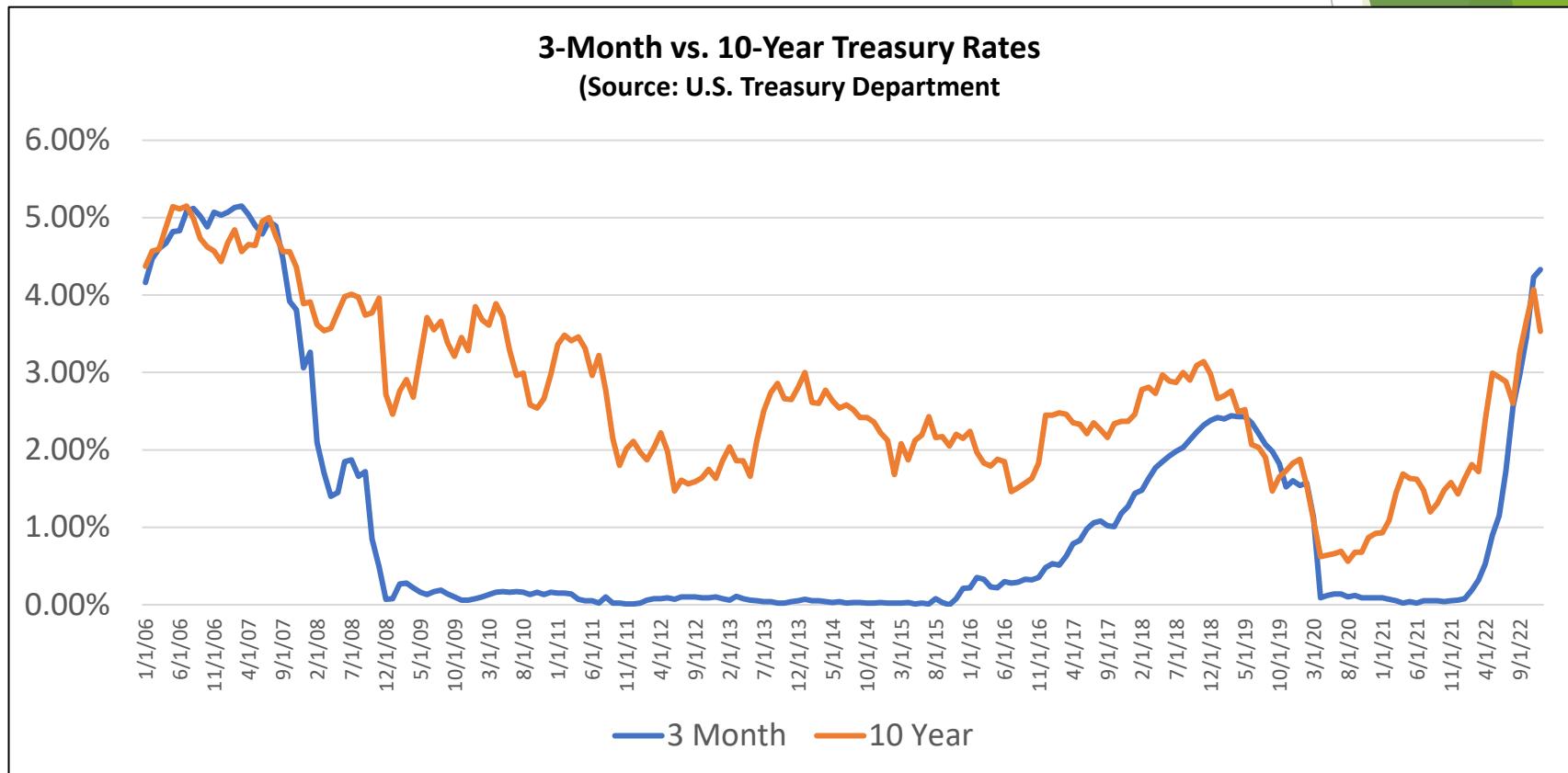
- Revenue growth ranges from 3.5% to 5.8% per year.
- Expenditure growth of 3.4% to 6.2% per year, primarily driven by:
 - Local k-12 contributions required by the Blueprint for Maryland's Future.
 - Debt Service.
 - Fringe Benefit Costs – pensions, healthcare, workers compensation, OPEB, etc.
 - Anticipated COLA/Merits based on collective bargaining negotiation results (including the annualization of FY 2023 compensation enhancements).
- Public Safety personnel costs and recruitment classes to partially keep up with attrition.
- Assumes no increase in Solid Waste Fund fees in FY 2024 and in subsequent years to cover ongoing expenses in that fund. This results in the removal of agency recovery charges against the Solid Waste Fund from the Department of Public Works & Transportation; thereby increasing the General Fund commitment;
- Stormwater Management Enterprise Fund has an estimated -\$65.2 million deficit and requires an increase in the dedicated property tax rate.
- Various operating expenses (gas/oil, utilities, contract cost increases, leases, equipment replacement costs, etc.).

Fiscal Challenges: Education Funding, Debt Service, & Inflation

- Demands for additional funding for the Education sector (primarily the Board of Education) to support the local share of the Blueprint for Maryland's Future, wage adjustments, pension costs and education initiatives.
- Annual debt service payments continue to increase.
- Inflation remains high despite rate increases adopted by the Federal Reserve Board. More rate hikes are expected (50 basis points in December followed by small increases in the spring). Construction inflation continue to grow at double digit rates.
- Unemployment was 4.6% in October 2022, 19th in the State, compared to the statewide 4% rate.
- Homes sales have fallen 20% due to higher mortgage rates but the median price remains at approximately \$400,000.
- The risk of a recession in 2023 is higher. Added rate hikes will decrease consumer demand and increase unemployment.

3-Month vs. 10-Year Treasury Rates

- An inverted yield curve on short and long-term Treasury rates has been a reliable predictor of a recession within 12 to 15 months.
- The rates on 3-month and 10-year Treasury Notes have been inverted since October 25th, and presently are 80 basis points above the 10-year rate.



Fiscal Challenges: Long-Term Obligations

- Under-funded pension plans — 61.8% (est.) funded (FY 2022 for all pension plan combined)
 - Projected funded ratio of 100% reached by:
 - Deputy Sheriff's Supplemental – FY 2025.
 - General Supplemental Plans – FY 2033.
 - Police, Fire Service, Deputy Sheriff's Comprehensive and Correctional Officers' Plan – FY 2045.
- The Investment Return assumption was reduced from 7.25% to 6.75% effective 7/1/21 which requires larger contributions from the County.
- Other Post Employment Benefits – The County must adhere to a strict funding plan to maintain the status of this fund.
- Additional funding is also needed for the Risk Management Fund, which has a current deficit of approximately \$172.9 million, down from \$183.1 million for FY 2021.

General Fund Outlook

General Fund Fiscal Summary

(\$ in millions)

	FY 2021 Actual	FY 2022 Approved	FY 2022 Unaudited*	% Change	FY 2023 Approved	FY 2023 Estimated	FY 2024 Forecast
Revenues	\$3,721.9	\$3,794.6	\$4,400.2	16.0%	\$4,226.6	\$4,230.3	\$4,471.3
Expenditures	3,594.3	3,794.6	4,262.0	12.3%	4,226.6	4,240.3	4,486.9
Surplus/(Deficit)	127.6	0.0	138.3		0.0	-10.1	-15.7
Fund Balance							
Restricted (5%)	\$188.6	\$189.7	\$214.9		\$211.3	\$211.5	\$223.6
Committed (2%)	75.4	75.9	86.0		84.5	84.6	89.4
Unassigned	235.4	81.3	332.9		250.1	327.6	295.0
Total	\$499.4	\$346.9	\$633.8		\$546.0	\$623.7	\$608.0
Fund Balance as % of General Fund Revenues	13.4%	9.1%	14.4%		12.9%	14.7%	13.6%

- In FY 2022, the County anticipates a \$138.3 million surplus. Unaudited revenues rose \$605.6 million or 16.0% above the budget. Expenditures are \$467.3 million or 12.3% over the budget. This is primarily attributed to additional federal COVID programming in the Board of Education. The fund balance total is expected to total \$633.8 million.
- In FY 2023, a \$10.1 million gap is estimated based on preliminary revenue estimates and projected spending overages primarily in the public safety sector. OMB will continue to update its expenditure projections as the year progresses.
- In the FY 2024 forecast estimates a deficit of \$15.7 million.

*The FY 2022 unaudited expenditures are based on the draft annual comprehensive financial report (ACFR) from the Office of Finance. Revenues and expenditures assume revised FY 2022 outside aid figures for the Education sector. Finally, FY 2022 estimated unassigned fund balance includes use of \$32.0 million in fund balance designated for OPEB and Risk Management.

FY 2024 Revenue Forecast vs. FY 2023 Approved Budget

(\$ in Millions)	FY 2022	FY 2023	FY 2023	FY 2024	FY 2023-2024	
	Unaudited	Approved	Est.	Est.	\$ Change	% Change
County Sourced Revenues						
Real Property Tax	923.4	951.7	950.0	993.4	41.7	4.4%
Personal Property Tax	84.2	79.9	80.5	81.3	1.4	1.7%
Income Tax	777.0	777.0	781.5	857.9	80.9	10.4%
Disparity Grant	36.3	43.7	43.7	44.6	0.9	2.0%
Transfer Tax	168.5	144.0	144.0	152.1	8.1	5.7%
Recordation Tax	73.2	43.2	43.2	52.4	9.2	21.4%
Energy Tax	74.9	73.9	73.9	75.3	1.5	2.0%
Telecommunications Tax	13.4	12.2	12.2	12.2	0.0	0.0%
Other Local Taxes	24.8	23.7	23.7	24.6	0.9	3.8%
State-Shared Taxes	8.5	8.0	8.2	9.6	1.6	20.3%
Licenses and Permits	76.5	72.4	77.0	73.0	0.7	0.9%
Use of Money and Property	-1.6	3.1	2.8	2.9	-0.1	-4.0%
Charges for Services	57.4	68.8	64.7	66.9	-1.9	-2.8%
Intergovernmental Revenue	36.4	39.3	39.2	34.4	-4.9	-12.5%
Miscellaneous Revenue	9.3	9.8	9.7	8.3	-1.5	-15.8%
Other Financing Sources	0.0	0.0	0.0	0.0	0.0	na
Subtotal County Sources	2,362.1	2,350.6	2,354.2	2,489.1	138.5	5.9%
Subtotal w/o Fund Balance	2,362.1	2,350.6	2,354.2	2,489.1	138.5	5.9%
Outside Aid						
Board of Education	1,958.2	1,783.2	1,783.2	1,887.6	104.4	5.9%
Community College	70.8	82.9	82.9	84.5	1.7	2.0%
Library	9.0	9.9	9.9	10.0	0.1	1.0%
Subtotal Outside Aid	2,038.1	1,876.0	1,876.0	1,982.2	106.2	5.7%
Grand Total General Fund	4,400.2	4,226.6	4,230.3	4,471.3	244.6	5.8%

FY 2024 Forecast Assumptions

- Real property taxes increase by \$41.7 million, or 4.4% based on a 5% increase in the Homestead Tax Credit less property tax credits.
- Income tax revenue grows \$80.9 million, or 10.4%. Based on FY 2023 income tax distributions to-date it is very likely that the FY 2024 estimate will be revised downward.
- Transfer & Recordation taxes grow a combined \$17.3 million or 9.2%. After decreasing by 20% in FY 2023 some growth is expected based on construction inflation.
- Aid to the Board of Education increases \$104.4 million, or 5.9%, based on State formulas through the Blueprint for Maryland's Future Fund.

Gaming Revenue Update

- Chapter 692 of 2021 repealed the “hold harmless” provision that had reallocated a portion of the County’s share of video lottery terminal (VLT) revenue to other jurisdictions. The “hold harmless” provision remains in effect but is not paid from State-sourced revenue.
- Since the casinos re-opened in June 2020, gaming activity has been stronger than expected. This growth has been experienced nationally.
- The current FY 2023 estimate assumes total net revenue to the County from VLTs and table games will total \$37.4 million. The FY 2024 forecast assumes \$36.2 million.

Spending Affordability Committee

Recommendations

- FY 2024 General Fund spending growth recommended at 5.8%
 - An increase of \$244.3 million above FY 2023, to \$4.47 billion
- Phased-In Increase of County Reserve Levels over 3 years
 - FY 2024 Charter reserve 5% and 3% policy reserve (8% total)
 - FY 2025 Charter reserve 5% and 4% policy reserve (9% total)
 - FY 2026 Charter reserve 5% and 5% policy reserve (10% total)
- Revise charter and law to eliminate contradictions over how reserve fund is accessed and to allow balance to be used in an emergency when revenues fall and added appropriations are not needed

American Rescue Plan Act (ARPA)

(in millions)

	FY 2021	FY 2022	FY 2023	FY 2024	Total
Public Safety/Public Facing	\$21.0	0.0	0.0	0.0	\$21.0
Health	0.0	19.6	20.0	10.0	49.6
Housing	0.0	6.0	5.0	5.0	16.0
Central Services	0.0	3.0	1.0	0.0	4.0
Environment-Stormwater	0.0	8.8	12.2	4.8	25.8
Public Works & Transportation	0.0	0.9	3.7	1.9	6.5
Economic Development	0.0	5.0	9.8	4.2	19.0
Social Services	0.0	0.0	8.0	0.0	8.0
Information Technology	0.0	8.2	5.2	2.3	15.7
Non-Profits	0.0	5.0	2.0	2.0	9.0
Various	0.0	0.0	1.0	1.0	2.0
Total	\$21.0	\$56.5	\$67.9	\$31.2	\$176.6

Year-to-Date ARPA Spending Through December 7, 2022

(in millions)

	FY 2021	FY 2022	FY 2023	FY 2024	Total
Public Safety/Public Facing	0.0	20.6	0.0	0.0	\$20.6
Health	0.0	10.8	1.0	0.0	11.8
Housing	0.0	0.0	7.1	0.0	7.1
Central Services	0.0	2.5	1.0	0.0	3.5
Environment-Stormwater	0.0	1.5	0.6	0.0	2.1
Public Works & Transportation	0.0	0.0	0.0	0.0	0.0
Economic Development	0.0	4.7	0.3	0.0	5.0
Social Services	0.0	0.0	0.0	0.0	0.0
Information Technology	0.0	2.2	0.6	0.0	2.8
Non-Profits	0.0	0.9	0.8	0.0	1.7
Total	\$0.0	\$43.2	\$11.4	\$0.0	\$54.6

Tax Credit Effects

Business Tax Credits

As of December 2022

- 19 credits available
- *NEW* Business Start-Up Personal Property Tax credit
- 9 not utilized in FY23
- 5% of all FY23 credits



Credit Program	FY22	FY23
Revitalization - Enterprise Zone	\$3,193,566	\$3,191,900
Revitalization - Commercial	1,517,065	921,437
Brownfields	551,346	311,373
Religious Organization	120,270	131,551
Swim Clubs	54,337	54,525
Airparks ¹	64,799	39,146
Boys and Girls Clubs	15,766	15,022
Lake Arbor Foundation	14,645	14,844
Green Business	11,184	5,786
Free State Riding	1,357	1,364
High Performance ^{2,4}	260,851	0
Municipal Leased Prop ^{3,4}	2,686	0
Accessibility Features ⁴	0	0
Arts & Entertainment District ⁴	0	0
Business Incubator ⁴	0	0
<i>Business Start-Up - new December 2022</i>	0	0
Grocery Store ⁴	0	0
Manufacturing, Fabrication, Assembly, R&D ⁴	0	0
New Jobs ⁴	0	0
Revitalization - High Tech ⁴	0	0
	\$5,807,872	\$4,686,948

1. Hyde Park closed

2. Credit ended for participant(s)

3. Municipality purchased the properties and is now exempt

4. No credits issued

Residential Tax Credits

As of December 2022

- 16 credits available
- *NEW* Elderly Property Tax Credit
- 2 not utilized in FY23
- 95% of all FY23 credits



Credit Program	FY22	FY23
Homestead ¹	87,953,324	85,884,006
Homeowners ¹	7,925,166	6,564,590
Alternative Energy	500,000	500,000
Landfill Rebate	492,024	492,024
Scenic Easement	202,568	204,125
Historic Preservation	131,184	100,804
Agricultural Land	31,988	29,513
Fallen Officer	13,751	14,542
Revitalization - Residential	13,063	2,786
Conservation Land	1,157	1,175
Tobacco Barn	425	426
Deferral for Elderly & Disabled	0	326
Renters Tax Credit ³	252,555	0
Disabled Vet - Retro ²	0	0
<i>Elderly Property Tax Credit - new July 1, 2023</i>	0	0
Urban Agriculture ⁴	0	0
Vacant Real Estate ⁴	0	0
	97,517,205	93,794,317

1. FY23 values may change throughout the year
2. The State now processes the Disabled Vet retroactive credit. The accounts still receive the same retroactive reduction of County tax, but rather than being processed as a credit on only the County tax, the assessment is exempted by the State from **all** property taxes.
3. The Renters credit is processed in the spring.
4. No credits issued

FY 2023 Property Tax Credits

	FY2022		FY2023	
	Amount	% of total	Amount	% of total
Business	\$5,807,872	6%	\$4,686,948	5%
Residential	97,517,205	94%	93,794,317	95%
Total	\$103,325,077		\$98,481,265	

-4.5% change in tax credits from FY2022 to FY2023.

Property Tax Credits

New Legislation

Residential

- CB-029-2022, Elderly Property Tax Credit
 - Effective July 1, 2023
 - Anticipate approximately 7,000 applications initially
 - 20% credit on County Tax (inclusive of Homeowners & Homestead credits)
 - Criteria
 - Age ≥ 65
 - Principal residence and ≥ 10 Years of ownership
 - Assessed value $\leq \$500k$, adjusted annually by lesser of CPI or 3%
 - 5-year credit
 - Implementation efforts underway include:
 - Technology and portal development
 - Business and application process
 - Associated staffing needs



Property Tax Credits

New Legislation

Business

- CB-070-2022, Business Start-Up Personal Property Tax Credit
 - Effective December 15, 2022
 - 50% credit on County Tax
 - Criteria
 - Locally owned & operated for \leq 60 months
 - Including >50% ownership by one or more County residents
 - The business has \leq 15 employees
 - The business is located within the beltway or within a $\frac{1}{4}$ mile radius of a transit station or within a primary or secondary growth sector
 - Maryland registered and in good standing
 - Implementation is being evaluated in consultation with the Economic Development Corporation



Definitions

Real Property

A parcel of land and everything that is permanently attached to the land. The owner of real property has all of the rights of ownership, including the right to possess, sell, lease, and enjoy the land.

Includes Residential and Commercial

FISCAL YEAR	RESIDENTIAL		COMMERCIAL	
	COUNTY (ONLY) TAXES	%	COUNTY (ONLY) TAXES	%
2012	559,752,116.46	74.10%	196,136,965.72	25.90%
2013	497,835,215.40	71.50%	198,148,478.93	28.50%
2014	468,797,307.72	70.00%	200,955,914.59	30.00%
2015	472,084,486.48	69.50%	207,272,416.02	30.50%
2016	490,895,647.26	69.50%	215,354,897.59	30.50%
2017	521,324,573.09	69.80%	225,570,144.87	30.20%
2018	559,051,667.32	69.60%	244,222,884.63	30.40%
2019	599,007,792.81	70.20%	254,080,587.25	29.80%
2020	636,397,191.45	70.60%	265,441,808.81	29.40%
2021	672,942,095.55	71.00%	275,253,808.13	29.00%
2022	705,666,309.37	71.10%	286,891,067.76	28.90%
2023	776,232,091.43	71.20%	313,408,475.76	28.80%

Definitions

Business Personal Property



Debt Outlook

CIP Debt Limit Changes

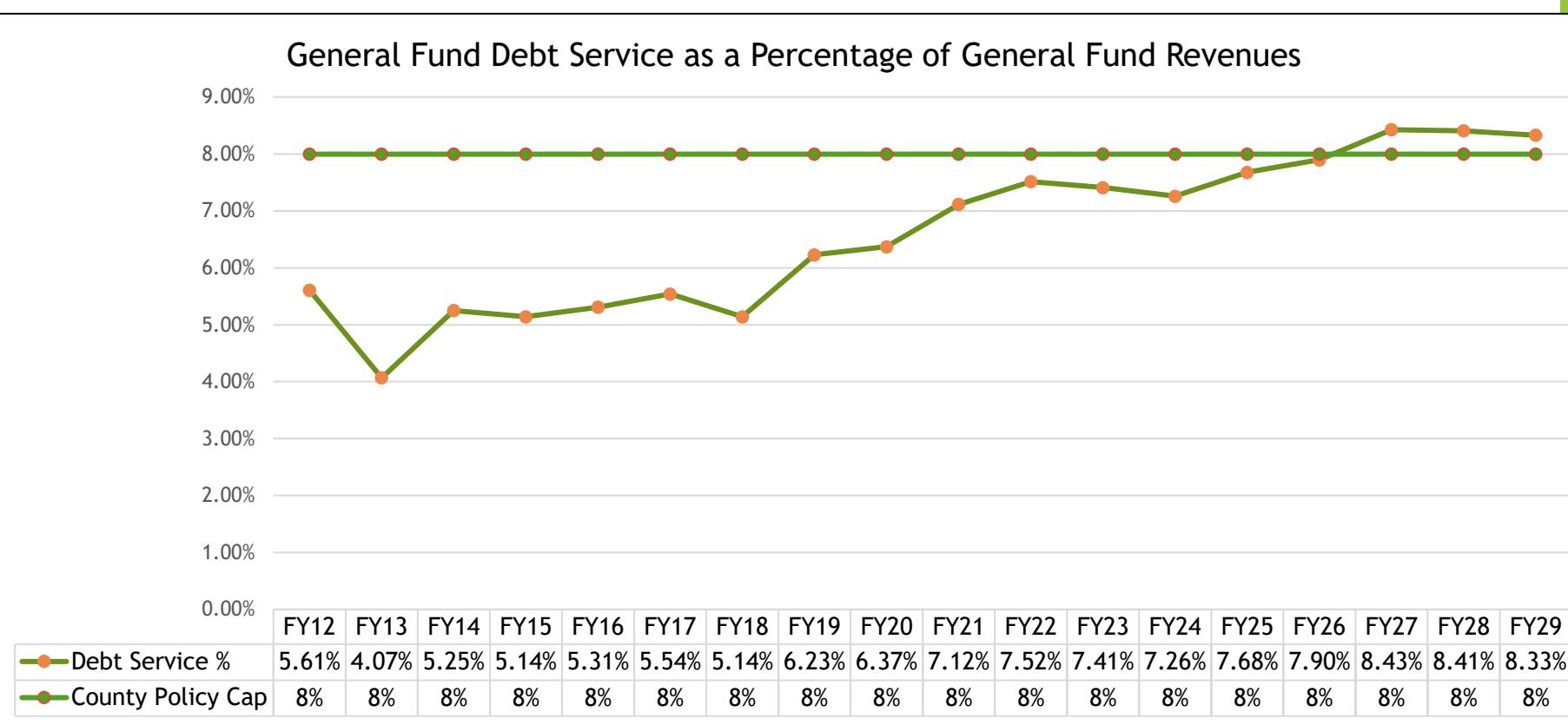
- The current CIP program projects issuing up to \$1.5 billion of general obligation debt from FY2023 through FY2029.
- A concerted effort to maintain the affordable strategy should continue.



The 8% Debt Service Cap

- The debt service cap ratio is projected to exceed 8.00% during FY 2027 at 8.28%, after proposed GOB issuances scheduled through FY 2025.
- The debt service cap ratio is projected to peak in FY 2027 at 8.43% after proposed GOB issuances scheduled through FY 2026.
- These projections are based on the most recent debt capacity analysis with proposed GOB issuances in FY 2023 through FY 2029, funding 80% of CIP.
- GOB issuances beyond FY 2029 will likely further impact the debt service cap.

General Fund Debt Service Projections by Fiscal Year



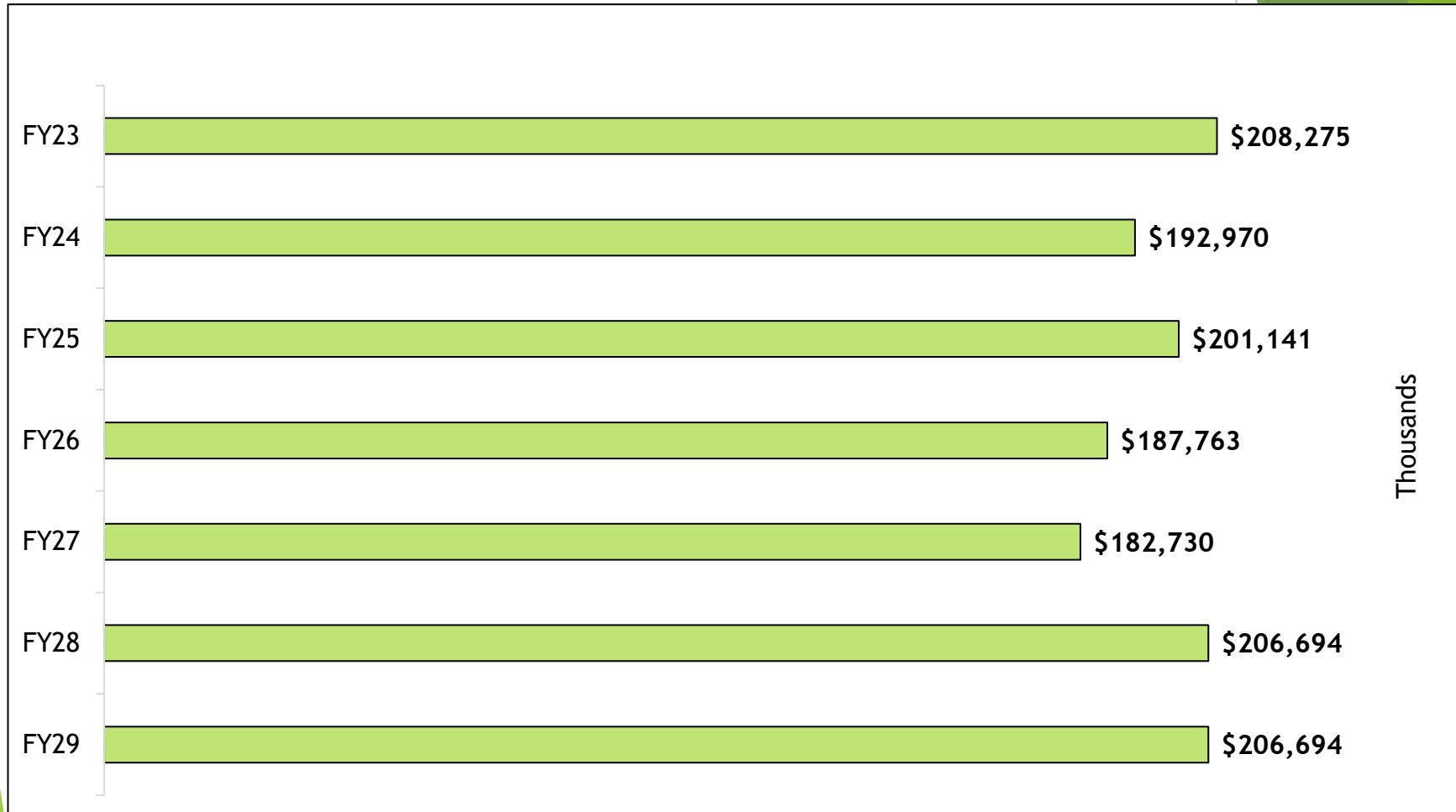
What Could Increase Debt Service %

- New Projects
- Inflationary Cost Increases – Materials and Labor
- Rising Interest Rates
- Reduced Revenues

What Could Reduce the Debt Service %

- Use of non-debt (e.g. P3) as a mechanism for school construction
- Defer Projects
- Increased Revenues

Proposed General Fund and School Facilities Surcharge Debt Issuances by Fiscal Year

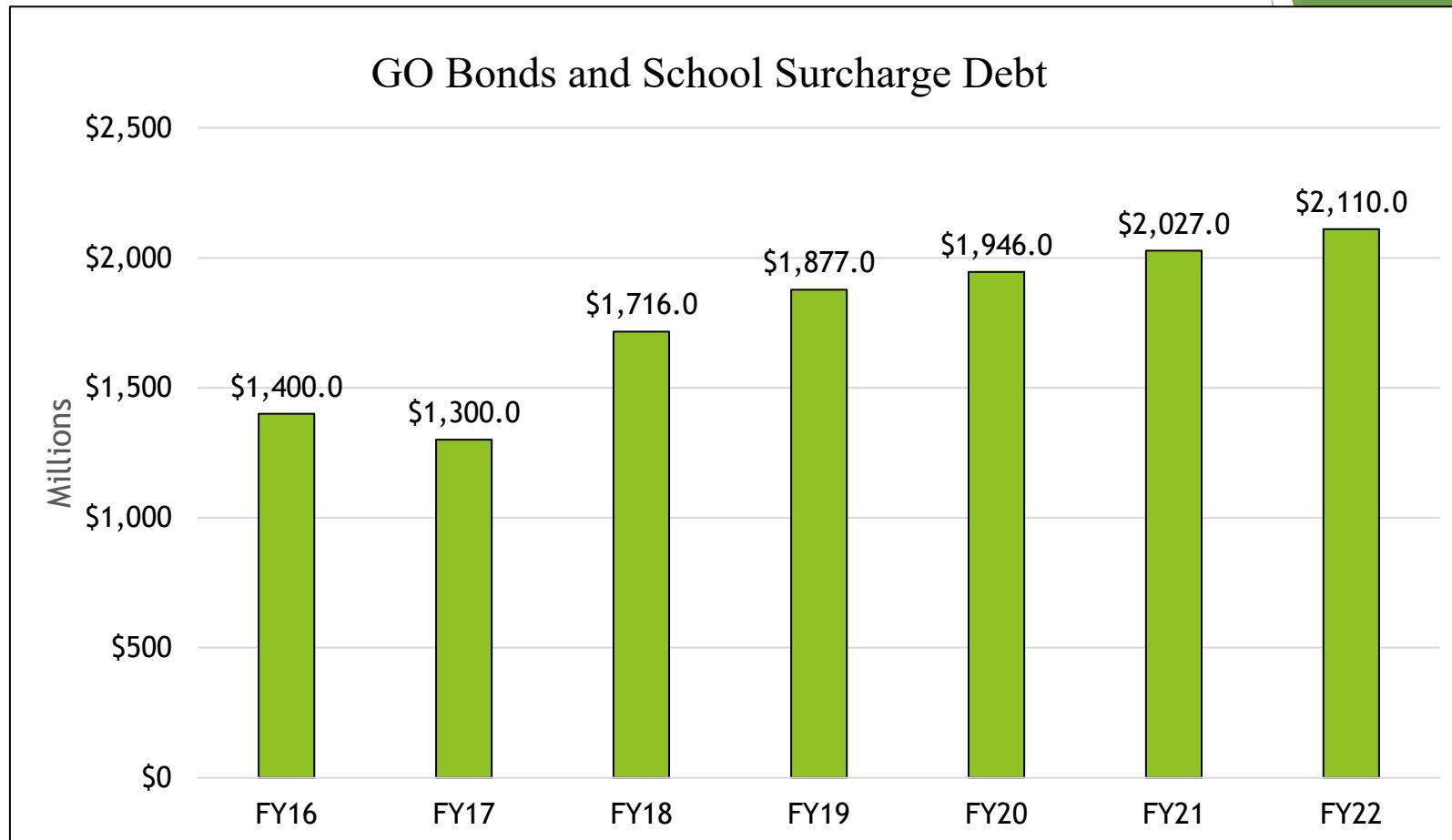


Bonded Debt Charts

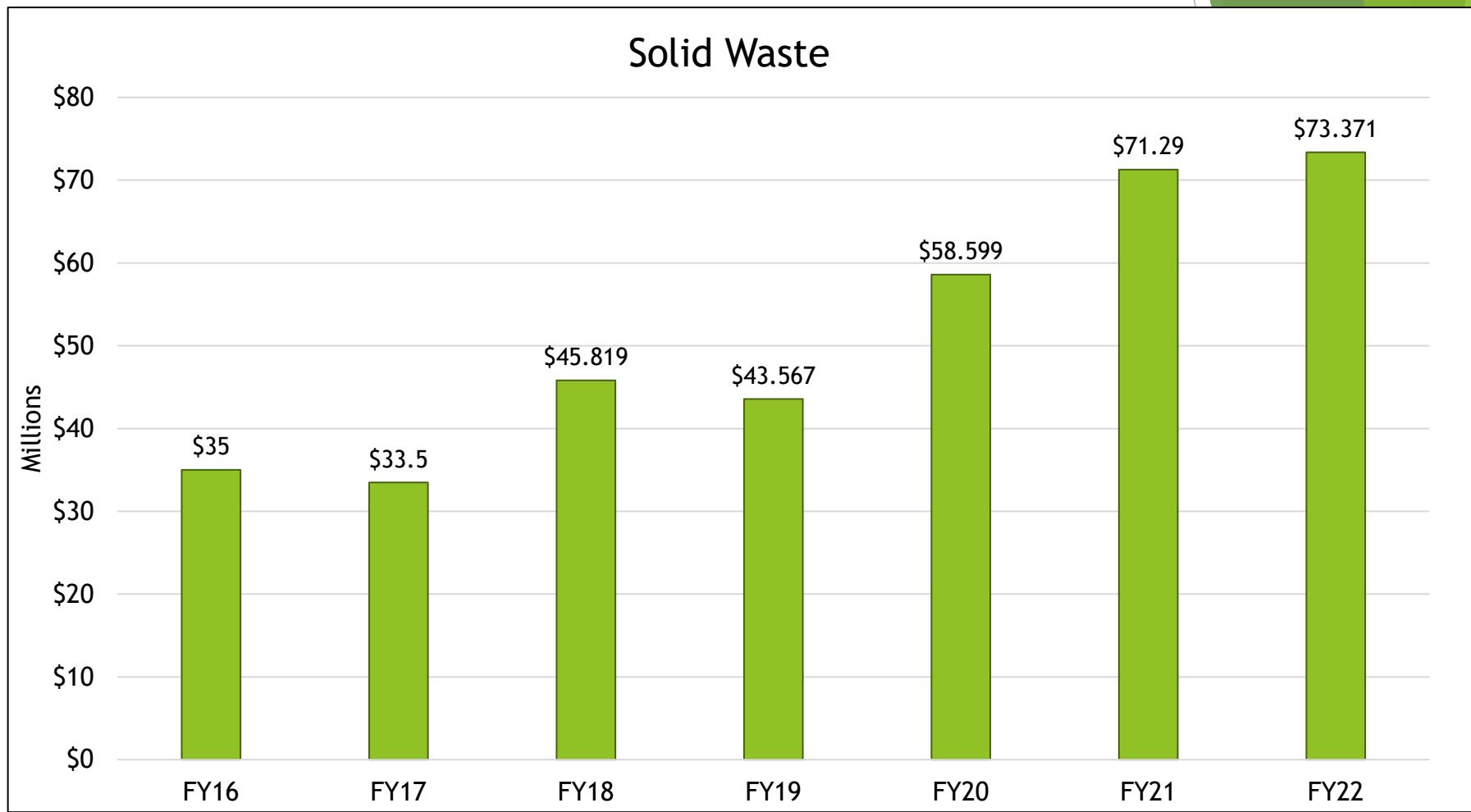
- The following graphs capture the County's outstanding bonded debt from FY16-FY22 for each the following categories:
 - General Obligation Bonds and School Surcharge Debt
 - Stormwater Management
 - Solid Waste
 - COPs and Lease Purchase Agreements



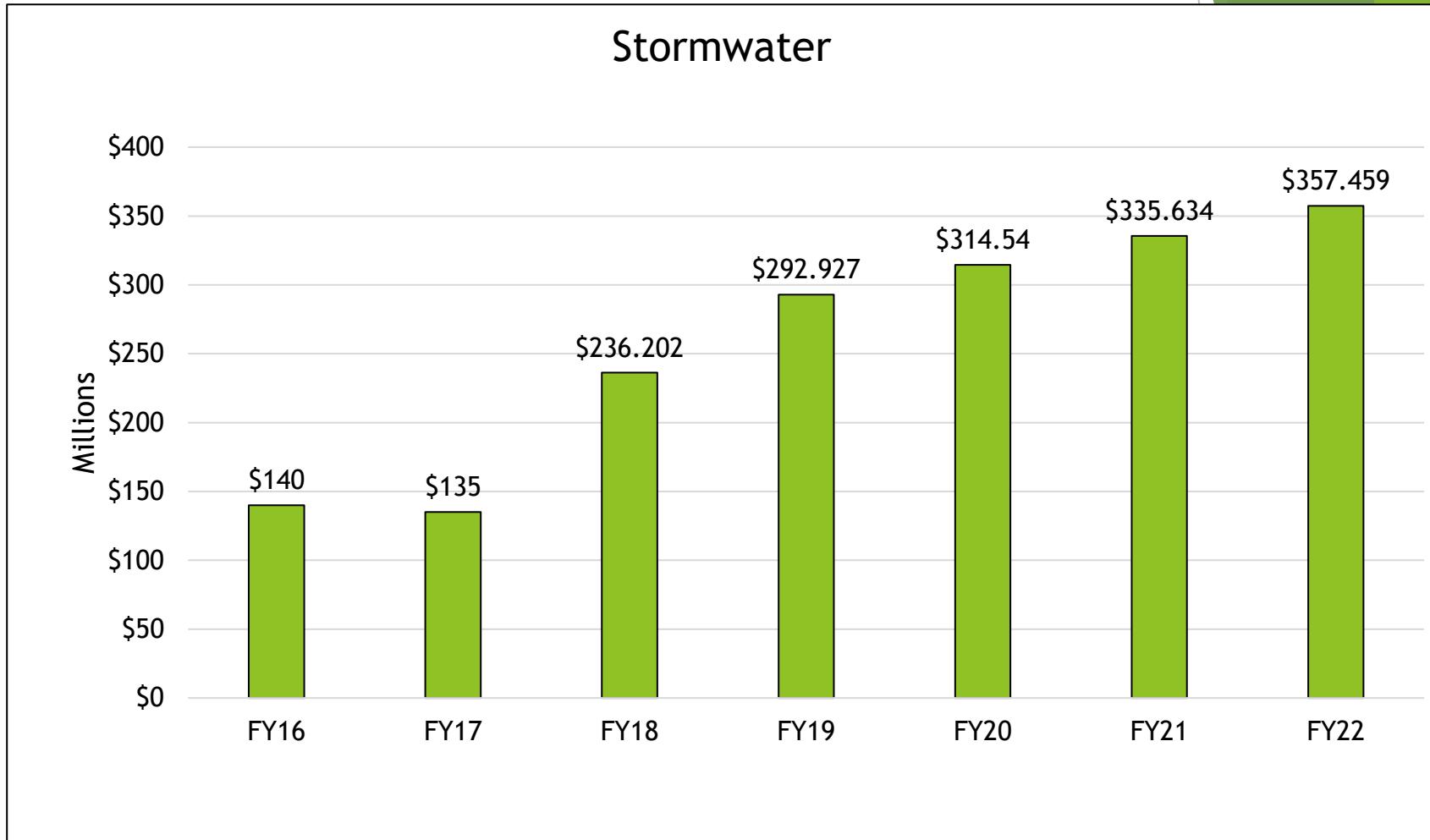
General Obligation Bonds and School Surcharge Debt



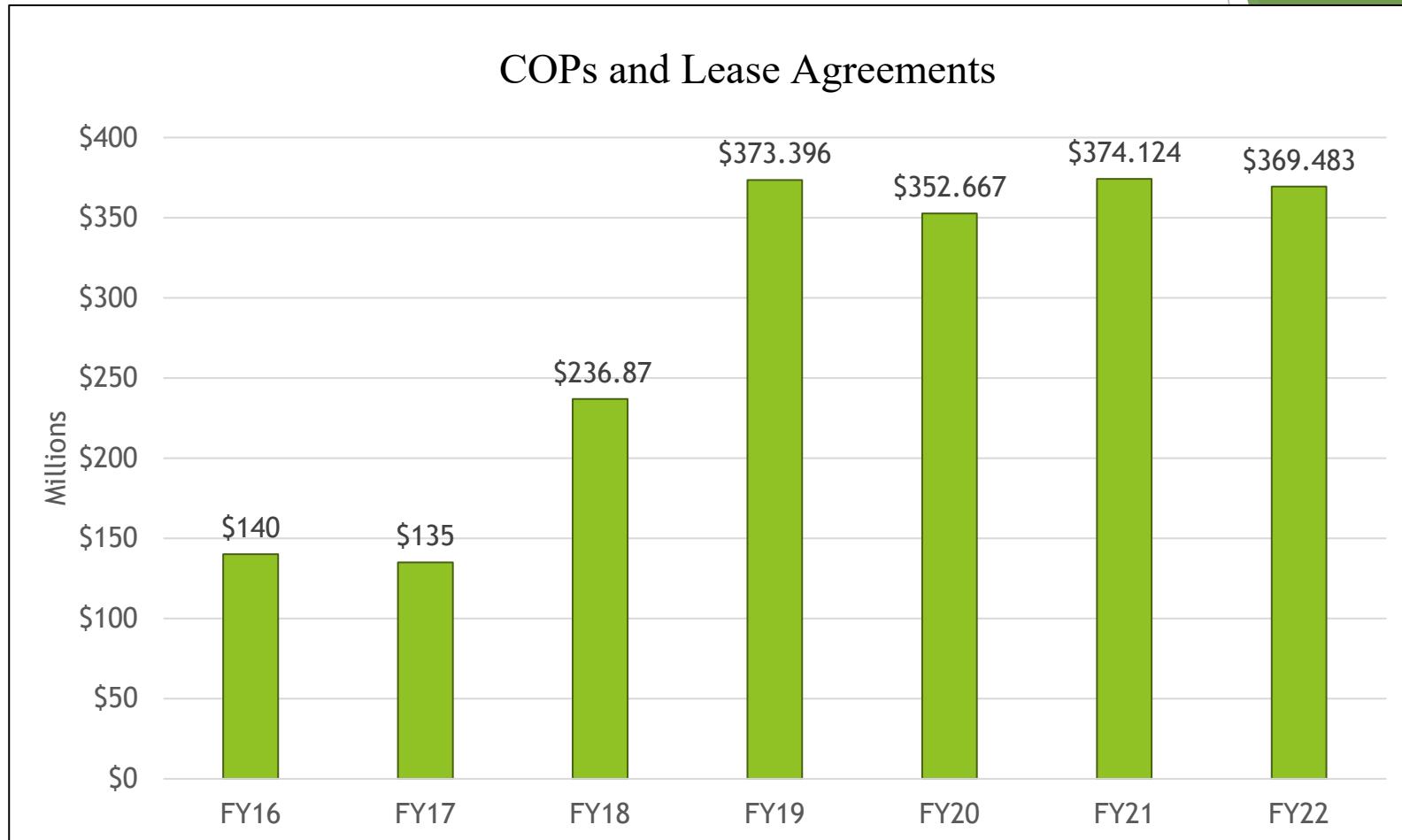
Debt Outstanding: Solid Waste



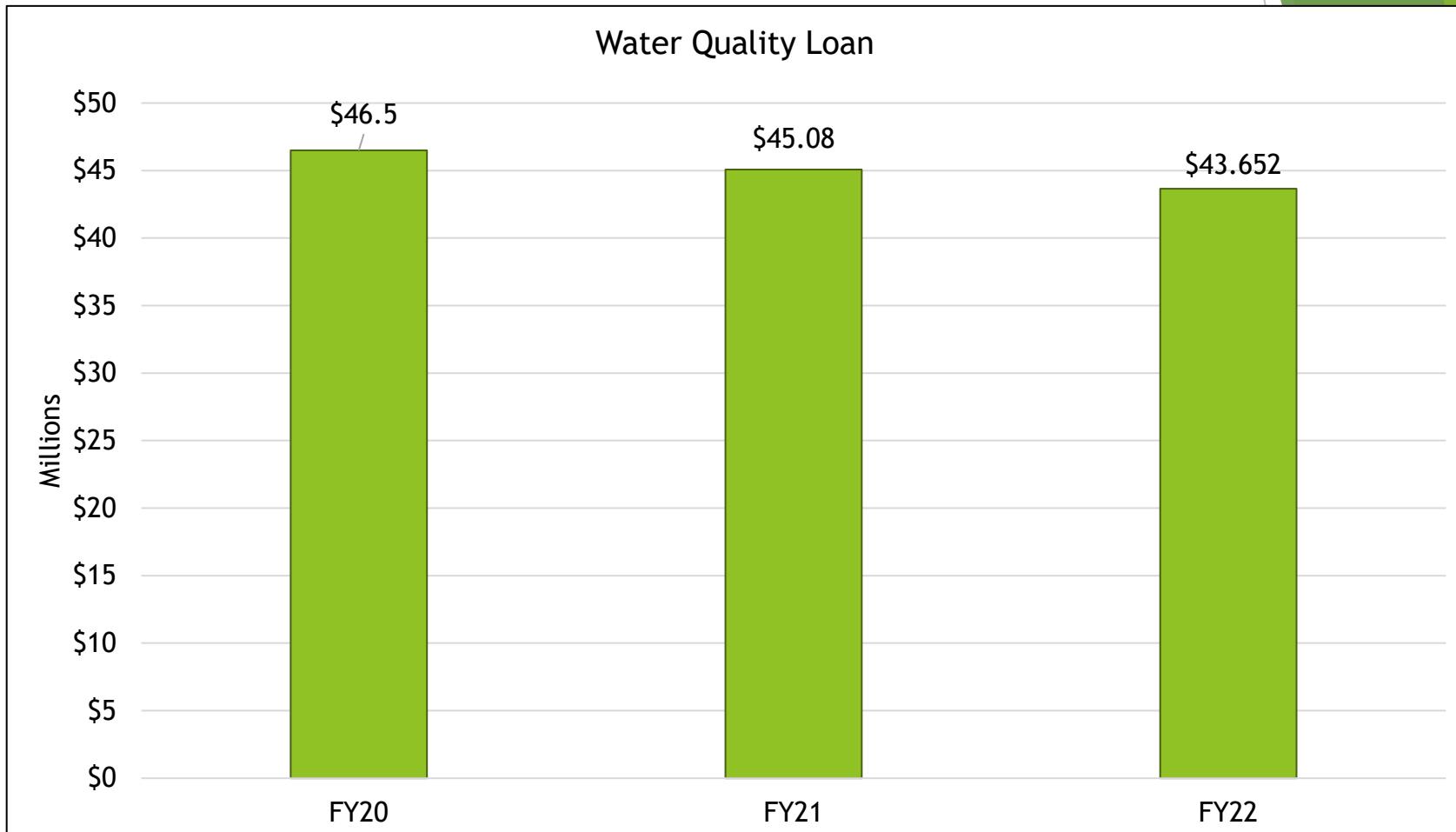
Debt Outstanding: Stormwater Management



Debt Outstanding: COPs and Lease Agreements



Debt Outstanding: Water Quality Loans



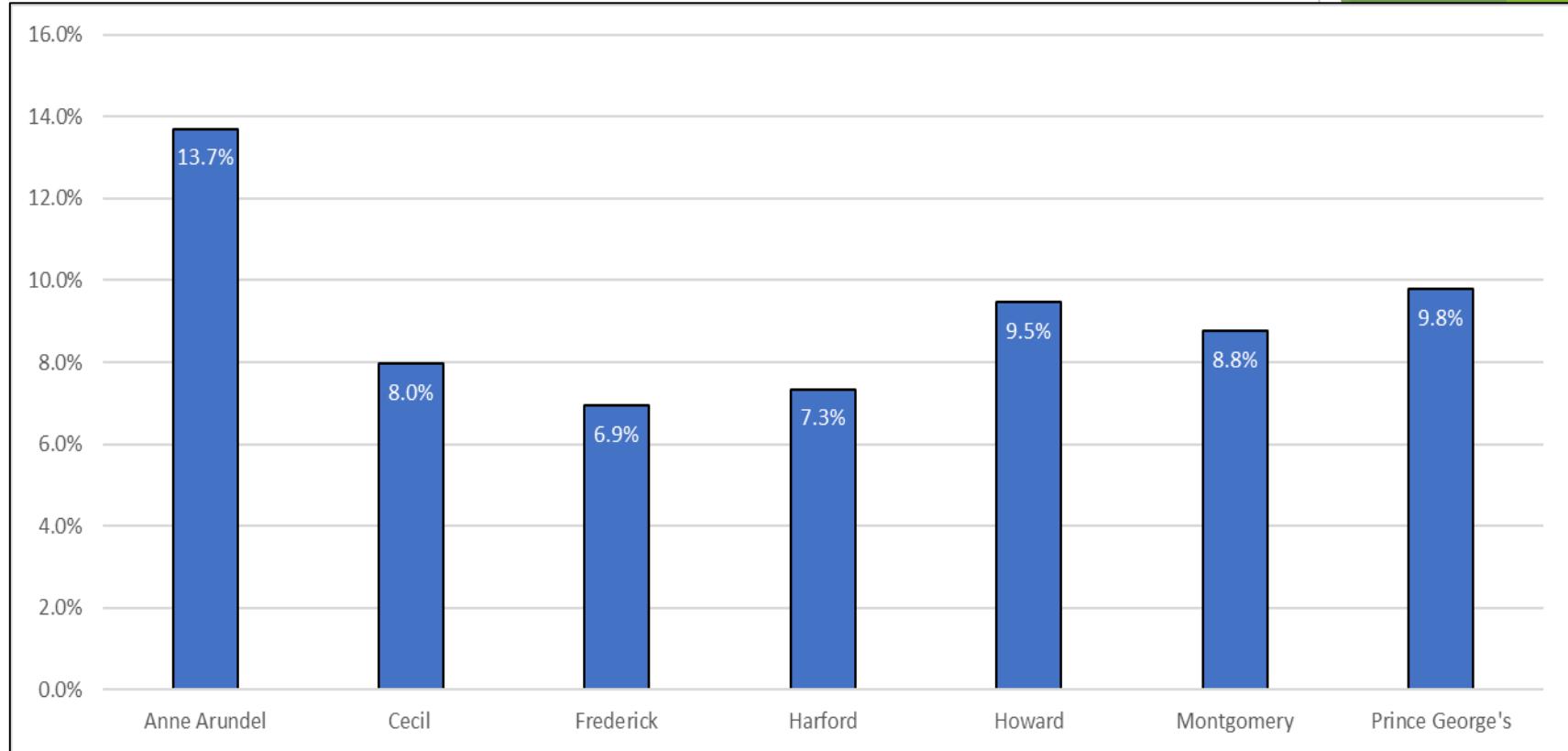
FY 2024 Actions

For the FY 2024-FY 2029 Proposed CIP Program, OMB's proposal will control the capital program so that it is more feasible and affordable for the near future. OMB will continue to work with County agencies to program funds for projects under construction and other high priority projects.

County Comparison of Debt

- The rating agencies are concerned not just with the County's General Obligation bond debt but with the County's total long-term financial commitments.
- Comparing audited financials across counties, debt service relative to expenditures for Prince George's County is on the higher end relative to other highly rated Counties.

County Comparison of Debt Service/Expenditures*



Source: FY 2021 Comprehensive Annual Financial Report: Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Fund

Updated Rating Criteria

Recently released municipal bond rating criteria from Moody's Investors Service is thought to result in more rating downgrades than upgrades. The initial issuers contacted by Moody's for credit review excluded Prince George's County.

The new rating criteria downgraded the weighting of one of the County's key strengths and increased the weighting of a potential source of weakness. The weighting of historical responsible fiscal policies implemented by prior elected officials and administrations has been reduced. Other weighting adjustments reduce the value of certain fund balances and increased emphasis of unfunded liabilities balances.

Summary

- The long-term forecast is better than it was during the pandemic.
- We are living in highly volatile times. Therefore, the long-term fiscal outlook is subject to change.
- The General Fund outlook also does not assume prolonged higher inflation.
- The debt outlook is constrained relative to the County's voluntary limits.
- Consideration of new spending and debt must be viewed cautiously.