

Montgomery County Executive warns against changes to budget proposal

By Michael Laris, Saturday, April 16, 3:50 PM

There's more than a month of wrangling yet to come, but the spring budget-sparring season is warming up in earnest in Montgomery County.

County Executive Isiah Leggett warned council members last week that their potential changes to [his \\$4.35 billion budget proposal](#) could endanger Montgomery's stellar credit rating, which lowers the cost of borrowing.

Leggett (D) said a council committee's proposal to cut \$4 million from his suggested \$13 million snow-removal budget would sap reserves and undercut promises the county made to bond rating agencies last year. County officials had pledged a more conservative approach to budgeting for storms, rather than relying largely on reserves to cover cleanup costs.

Losing resolve on such fiscal commitments could "significantly undermine the County's credibility in our representations to the local community and with the credit rating agencies," Leggett wrote in a letter released Friday. Montgomery was temporarily put on a watch list for bond-rating downgrade last year, in part because of concerns over reserves.

The council, meanwhile, is pushing back on the content and timing of Leggett's proposed changes to employee health-care coverage.

Leggett [raised the ire of public employee unions](#) when he proposed making county workers pay a greater share of their health-care costs. Leggett said the changes would help address [the county's persistent deficits](#), but council members have pointed to a council analysis showing that the changes could cost many employees thousands of dollars a year under their health plans.

Council President Valerie Ervin said in an interview that the council is crafting its own proposals to address the county's structural deficit. Details are being hashed out, but plans include pushing for health-care changes across all county agencies, including public schools, as well as working to reduce long-term pension costs, Ervin said. But the council is setting its own timetable.

In a letter to Leggett on Friday, Ervin said the council will not impose changes on employee medical benefits starting July 1, as Leggett proposed. Ervin said the council decision was a "matter of fairness" and that employees need "maximum lead time" to prepare for whatever changes are eventually adopted. The length of the delay will be set next month.

Leggett administration officials said a six-month delay in implementing its proposal would cost \$9 million. Council members are in the process of adding and subtracting their way to their own budget, which they are expected to finalize May 26.

Despite their differences, the council and executive are savoring what officials called a series of legislative wins in Annapolis. Leggett, Ervin and other officials worked with members of Montgomery's General Assembly delegation to secure millions of dollars in additional school construction funds. County officials also received a one-year reprieve from having to pay a possible fine in a dispute over school funding.