

# Fiscal Year 2018 Budget Summary

## **The Great Recession – gone, but not forgotten**

Although the recession ended years ago, the County still has not fully recovered. During the recession, every significant County revenue declined, and even now the only revenue to recover to pre-recession levels is Income Tax. After five years of declining property values in FY 11 – 15, assessments and Property Tax revenues are growing, but growing slowly. Property Tax, the County's largest revenue, is projected to grow 2.4% in FY 18 due to positive reassessments in FY 16 – 18 and new construction. Growth isn't projected to reach 3% until FY 20. Income Tax growth has been reasonably strong, but is still less than historical levels. Unemployment is low, but wage growth has been modest. Carroll's Operating Budget has averaged just 1.4% annual growth since FY 09, though it has been 2.7% over the last 3 years.

## **The Total Budget**

The Operating Budget, or General Fund, gets most of the attention, but the County Budget includes thirteen funds. The All Funds budget is \$577.3M, an increase of \$74.5M, or 14.8%, from FY 17. There are changes to every fund, but the increase is driven primarily by one-time capital projects of \$44.3M in Enterprise Funds including the Airport, Water and Sewer, Fiber Network, and the Septage Facility. The Airport Runway Extension project increases by \$38.0M and is 95% funded by the Federal and Maryland Aviation Administration. The Capital Fund increases \$16.4M from FY 17 primarily due to construction of additional phases of the Public Safety Training Center and building renovations to the recently closed County schools, North Carroll High and Charles Carroll Elementary, for administrative and community use.

## **The Operating Budget**

The FY 18 Operating Budget is \$400.0M, an \$11.6M, or 3.0%, increase over FY 17. The increase in ongoing revenue is driven by growth in the County's three largest revenues: Property Tax, Income Tax, and Recordation Tax; and use of prior year surplus for one-time expenditures.

Limited revenue growth means limited opportunity to improve services and sometimes even to maintain services. Adopting a budget requires a series of choices between competing needs and priorities. Commissioner choices in the FY 18 Budget and FY 18 – 23 Operating Plan include:

- \$2.0M additional funding in FY 19 for Carroll County Public Schools
- \$4.5M for modifications to North Carroll High for the Board of Education Headquarters
- \$0.6M increase to Carroll Community College to fund salary increases
- Up to \$0.35M annually, from FY 18 – 22, to match fund-raising efforts for Carroll Community College technology
- \$20,000 one-time to provide the same 25% tuition discount for private/home school students who are dual enrolled at Carroll Community College that is currently mandated for public school students

- \$0.6M one-time to match fund-raising efforts and \$43,000 ongoing for Westminster Library Basement project
- \$0.1M increase to Circuit Court for an increase in Bailiff hourly pay rate
- \$0.4M increase to Carroll County Sheriff's Office to fund an ongoing change in the Correctional Deputy pension plan and the purchase of additional Tasers
- \$1.5M for modifications to North Carroll High for a Sheriff's Office
- \$0.1M ongoing for an additional Drug Treatment and Education Liaison position for the State's Attorney's Office
- \$6.0M in FY 19 for modifications to the Winchester Building to house the Offices of the Sheriff and State's Attorney
- \$0.3M one-time to Volunteer Emergency Services Association (VESA) to fund a reserve ambulance and Self-Contained Breathing Apparatus
- An additional \$66,000 in each year to increase LOSAP base payout by \$10 per month, from \$125 per month in FY 18 to \$175 per month in FY 22
- \$0.9M one-time for replacement of the 911 computer-aided dispatch, records management, and reporting software
- \$0.1M ongoing for a Public Safety Emergency Communication Systems Analyst position
- \$32,350 one-time for a wide area fiber network to connect the fire companies and Public Safety Training Center
- \$25,000 one-time contribution to University of Maryland Medical Center Shock Trauma
- \$25,000 one-time for HVAC/lighting replacement for Change, Inc.
- \$5,010 ongoing for The Arc Carroll County and Target Community and Education Services
- \$50,000 ongoing for trail development
- \$16,000 ongoing to extend the Piney Run Park open season by two months
- \$3.5M one-time to demolish Charles Carroll Elementary and replace with a new gym and community center
- \$0.5M one-time to match fund-raising efforts for an artificial turf field at the North Carroll High stadium
- \$5,000 one-time for digitalization of the Historical Society collection
- \$50,000 one-time increase for Union Mills Homestead structural renovations
- \$0.3M one-time to overlay park parking lots
- \$40,000 one-time for video inspection equipment for Public Works
- \$1.0M one-time for State transportation projects
- \$1.0M one-time for expansion of the broadband network for business access
- \$0.5M ongoing and \$0.2M one-time for new positions in FY 18
- \$0.3M ongoing for County technology
- \$50,000 one-time for the County website
- \$0.3M for Economic Development Infrastructure and Investments
- \$30,000 one-time for the promotion of the County
- \$15,000 one-time to Union Bridge for Main Street pavement management
- \$10,000 one-time for Celebrating America display at North Carroll High
- \$5,000 one-time each to Union Mills, Historical Society, and Public Library for Celebrating America

## Balancing the Plan

Although some one-time and short-term funding was used to balance FY 18 – 20, it is important to note that it was done within context of our balanced Operating Plan. Few jurisdictions build multi-year budget plans that are balanced for all years. Carroll County uses a six-year operating plan to capture future year impacts and the sustainability of current year actions. The Board of County Commissioners made the decisions necessary to balance all years in the FY 18 – 23 Plan. Below are the bottom lines of the FY 18 – 23 Operating Plan.

Millions	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23
Revenues	\$400.0	\$410.0	\$418.7	\$434.3	\$452.2	\$469.3
Expenditures	400.0	409.7	418.2	434.1	450.2	465.2
Balance	\$0.0	\$0.3	\$0.5	\$0.2	\$2.0	\$4.1
% of Budget	0.0%	0.1%	0.1%	0.0%	0.4%	0.9%

## County Highlights

Even after numerous years of troubled economic conditions and modest revenue growth, the County has many good things to talk about:

- Carroll County Public Schools continue to be among the top-ranked systems in the highly ranked State of Maryland.
- Carroll County Public Library continues to have one of the highest circulation rates per capita in the State.
- Significant business and employment developments are progressing, creating the potential for high-quality job opportunities.
- More than 69,000 acres are under permanent easement in our Agricultural Land Preservation programs, supporting agribusiness and maintaining our rural heritage while avoiding the costs of services and infrastructure which would serve residential development.
- Carroll continues to be highly rated by the credit rating agencies with two AAA and one AA+ rating. We continue to see strong demand for our bonds.

## Stay Informed

The Commissioners continue to make their actions available for review and participation by the public. You can follow the budget, and other actions and discussions, through:

- Cable Channel 24 broadcasts
- A video archive of public meetings on the County website
- The County website, with an abundance of information, including the detail of the Budget
- Automatic emails to provide updates on changes that appear on the County website
- Regular community meetings
- A Commissioner radio report broadcast live on WTTR on Sunday mornings and available on the County website

All of the FY 18 budget sessions, from the first Budget Overview to the Adoption of the Budget, were open to the public and appeared on the local government channel. These videos remain available on the County website. Thank you for your interest in the Commissioners' budget.

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