

Overview of the FY25 Budget and FY25-30 Operating Plan

March 5, 2024

Core Messages

- After several good years, the revenue outlook for us and the State has weakened.
- We are overcommitted.
- Blueprint is a very dark cloud hanging over our Plan.

Board Goals

- The Recommended Op Plan will be built on the existing Adopted Plan and Board direction.
- Even now, additional Board direction will help us to prepare for the Recommended Budget.

Goals For Today

- We are here to set the stage for your budget discussions and decisions to come.
- We won't be looking for any decisions today, but...
- This is a good time to discuss ideas about the process and budgets.

State Budget

FY25

FY25 State Budget

- As always, there is uncertainty.
- The Governor's budget is dependent on almost \$1B of legislative changes.
- Their plan is not balanced.
- We should know more by the Proposed Sessions, but important decisions could be made by the State after your deliberations start.

What Does it Mean at Home?

State Budget Impact in Carroll County

Impact In Carroll County

- Aid to Local Government
 - CCPS – \$8.5M or 4.7%
 - CCC – (\$0.8M) or (5.8%)
 - CCPL – \$38,000 or 3.0%
 - Health Department – \$0.6M or 15.8%

Impact In Carroll County

- Towns
 - HUR
 - \$3.5M, \$0.5M increase
 - POS
 - \$0.2M, \$0.4M decrease

Impact In Carroll County

- Commissioners
 - HUR
 - \$3.8M or \$0.6M increase
 - Police Aid – \$16,336 decrease
 - POS – \$0.7M, or \$1.0M decrease

Where Are We?

FY24 Projected Year-End

FY24 YE Revenue Projection

FY24 Budget	\$542.8M
FY24 Projection	527.9M
Change	(\$14.9M)

FY24 Year-End Projection

Revenues	(\$14.9M)
Reserve for Contingency	5.2M
Unexpended	8.9M
Year-End Balance	(\$0.8M)
Unassigned Fund Balance 6/30/23	\$44.3M
Planned Carryover to FY26	(4.9M)
Projected FY24 Unassigned	(5.7M)
Used in Recommended Budget	(14.5M)
Total Projected Unassigned Fund Balance 6/30/24	\$24.1M

FY25-30 Revenue Projections

The Top Revenues

	FY24 Budget	FY24 Projected	FY25 Projection
Real Property	\$233.3	\$233.3M	\$246.2M
Income Tax	207.3	191.5	199.5
Recordation	15.5	12.7	13.9
Railroad & Utilities	9.2	9.2	9.5
Business Property	8.1	8.1	8.1
Investment Income	3.8	7.4	6.5
911 Service Fee	3.8	3.9	3.9
Total	\$481.0	\$466.1M	\$487.6M

Revenue Changes From Adopted Plan

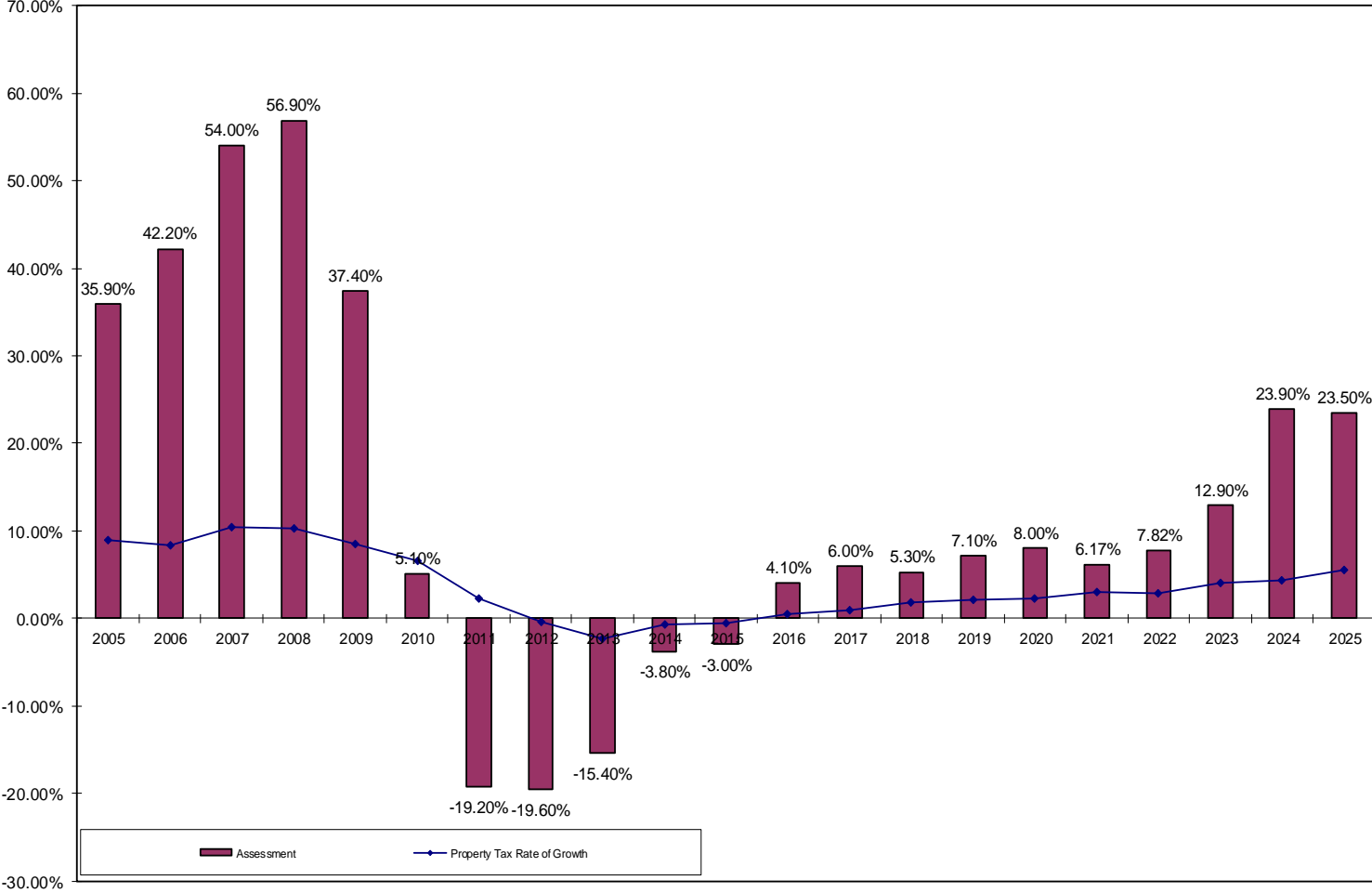
	FY25	FY26	FY27	FY28	FY29
Net Real Property	\$3.3M	\$8.3M	\$11.9M	\$13.6M	\$12.1M
RR&PU	0.3	0.3	0.3	0.3	0.3
Business	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Total Property Tax	\$3.5M	\$8.5M	\$12.1M	\$13.9M	\$12.3M

Revenue Changes from Adopted Plan

	FY25	FY26	FY27	FY28	FY29
Total Property Tax	\$3.5M	\$8.5M	\$12.1M	\$13.9M	\$12.3M
Income Tax	(16.1)	(16.5)	(16.9)	(17.3)	(17.8)
Investment Income	2.6	1.0	1.0	1.0	1.0
Recordation	(0.5)	(0.4)	(0.1)	(0.1)	(0.1)
Other	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
Total Annual Revenues	(\$10.8M)	(\$7.7M)	(\$4.1M)	(\$2.8M)	(\$4.8M)

Property Tax

Reassessment History



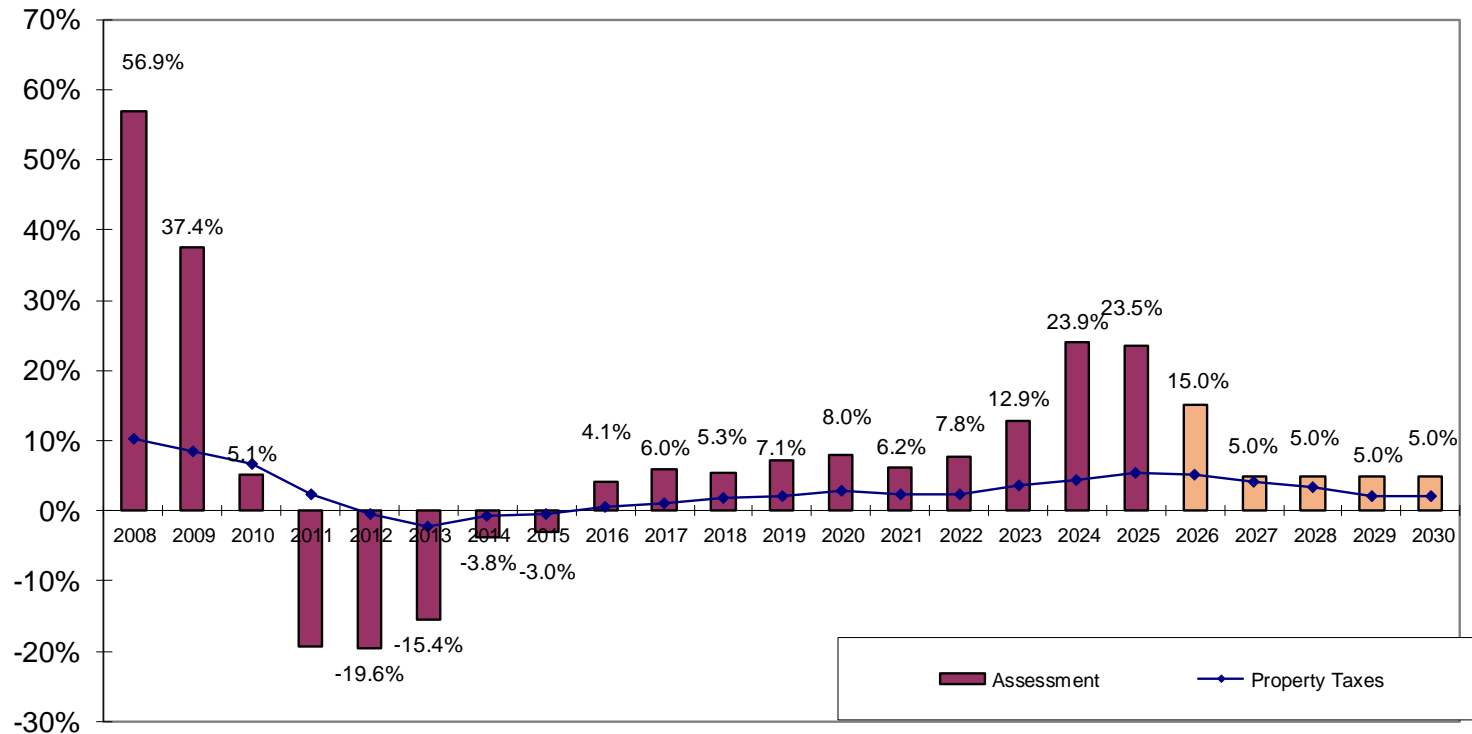
Reassessments

	FY25	FY26	FY27	FY28	FY29	FY30
Group 1 – South Carroll	4.30%	5.00%	5.00%	5.00%	1.67%	1.67%
Group 2 – North Carroll	5.00%	5.00%	1.67%	1.67%	1.67%	1.67%
Group 3 – Westminster Taneytown	5.00%	5.00%	5.00%	1.67%	1.67%	1.67%
Annual Growth due to reassessments	4.35%	4.63%	3.64%	2.77%	1.57%	1.56%

Total Real Property Growth

	FY24	FY25	FY26	FY27	FY28	FY29
Annual growth from reassessments	4.35%	4.63%	3.64%	2.77%	1.57%	1.56%
Total Growth in Real Property	5.52%	5.17%	4.21%	3.30%	2.06%	2.04%

Reassessment History And Projections



Total Real Property Tax

- FY23 actual \$217.8M
- FY24 forecast \$229.3M or 5.3%
- FY25 forecast \$240.0M or 4.6%

Total Property Tax

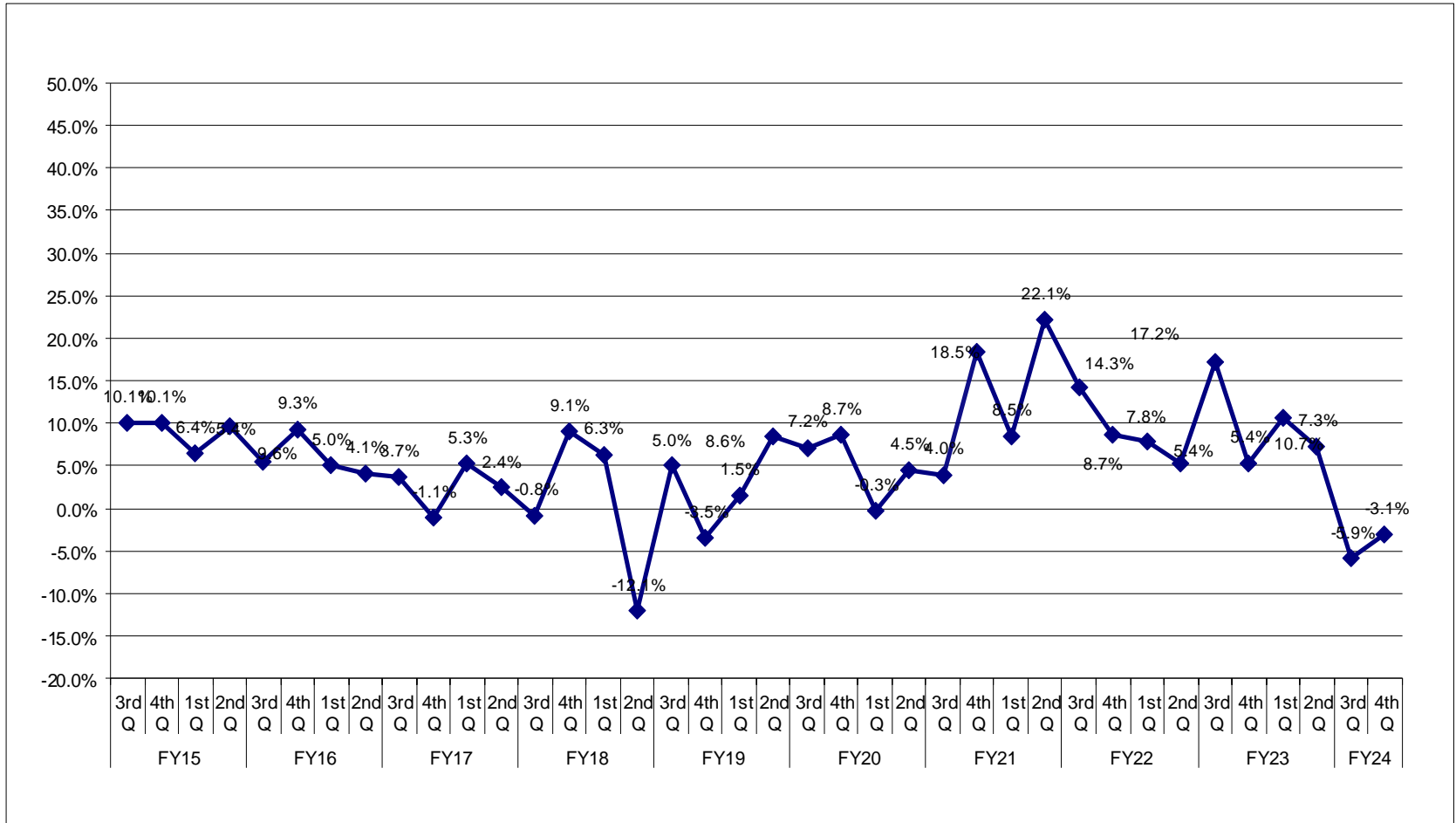
	FY25	FY26	FY27	FY28	FY29
FY25-29 Forecast	\$257.6M	\$270.0M	\$280.4M	\$288.6M	\$293.8M
FY25-29 Plan	\$254.1M	\$261.5M	\$268.2M	\$274.7M	\$281.5M
Change	\$3.5M	\$8.5M	\$12.1M	\$13.9M	\$12.3M

Real Property Tax Detail

	FY25	FY26	FY27	FY28	FY29	FY30
Base	\$240.0M	\$251.7M	\$264.6M	\$275.6M	\$284.5M	\$290.2M
New Construction	1.3	1.3	1.3	1.3	1.3	1.3
Reassessment	10.4	11.6	9.6	7.6	4.5	4.5
Homestead Credit	(5.1)	(5.3)	(5.3)	(5.3)	(5.3)	(5.3)
Other Credits	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)
Total	\$246.2M	\$258.9M	\$269.8M	\$278.7M	\$284.4M	\$290.2

Income Tax

Income Tax Distributions



Income Tax

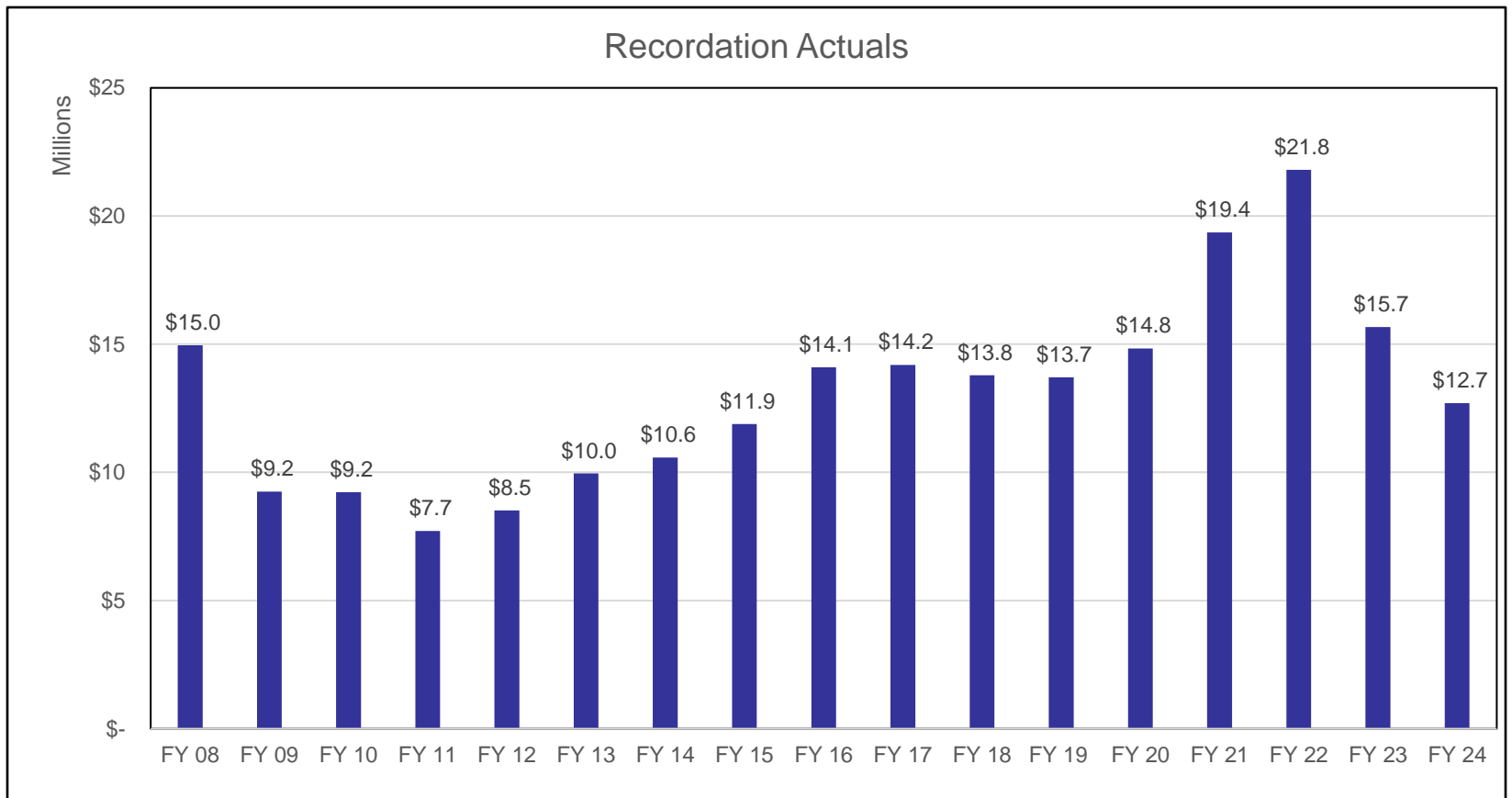
- FY23 Budget \$183.1M
- FY23 Actual \$205.7
 - Reconciling items from prior tax years \$23.2M
- FY24 Budget – \$207.3M
- FY24 Forecast \$191.5M
 - \$14.2M decrease from FY23 actuals, or (6.9%)
- FY25 projection \$199.5M

Income Tax

	FY25	FY26	FY27	FY28	FY29
FY25-29 Forecast	\$199.5M	\$207.8M	\$216.5M	\$225.5M	\$235.0M
FY25-29 Plan	215.6	224.3	233.4	242.8	252.8
Change	(\$16.1M)	(\$16.5M)	(\$16.9M)	(\$17.3M)	(\$17.8M)

Recordation Tax

Recordation



Recordation

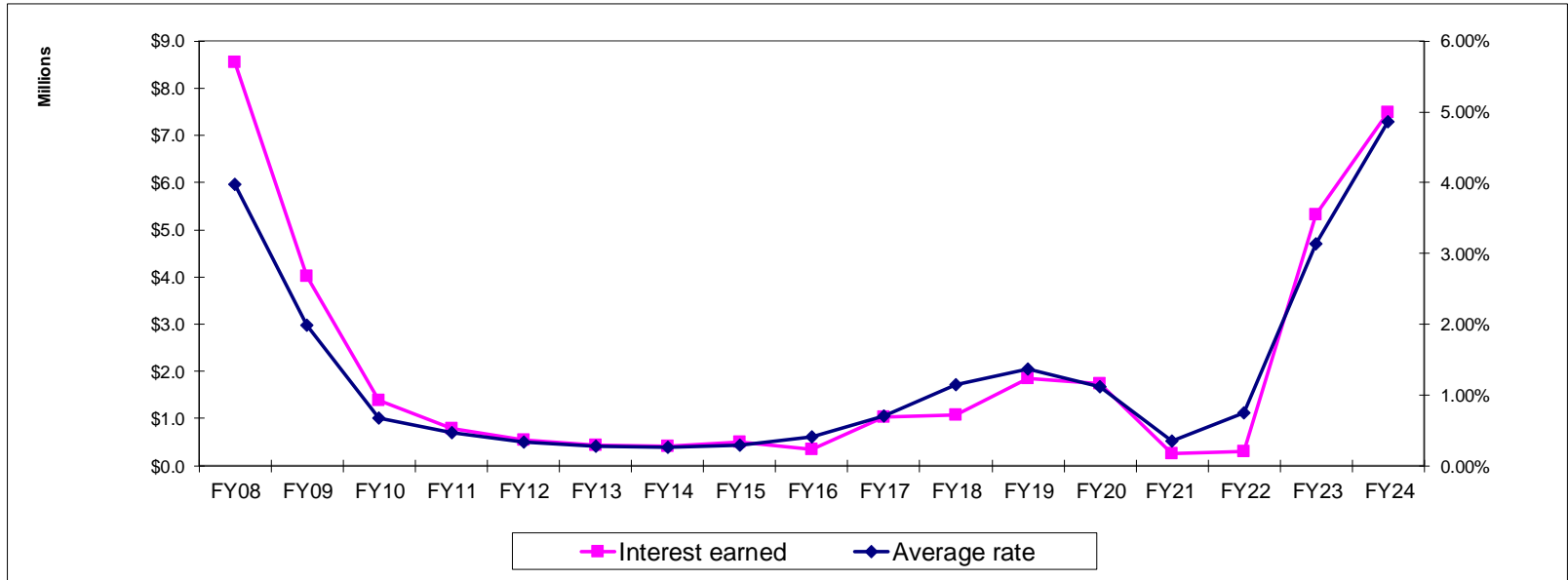
- FY23 actual \$15.7M
- FY24 budget \$15.5M
- FY24 forecast \$12.7M
- FY25 forecast \$13.9M

Recordation Tax

	FY25	FY26	FY27	FY28	FY29
FY25-29 Forecast	\$13.9M	\$14.2M	\$14.5M	\$14.5M	\$14.5M
FY25-29 Plan	14.4M	14.6M	14.6M	14.6M	14.6M
Change	(\$0.5M)	(\$0.4M)	(\$0.1M)	(\$0.1M)	(\$0.1M)

Investment Income

Investment Income



Investment Income

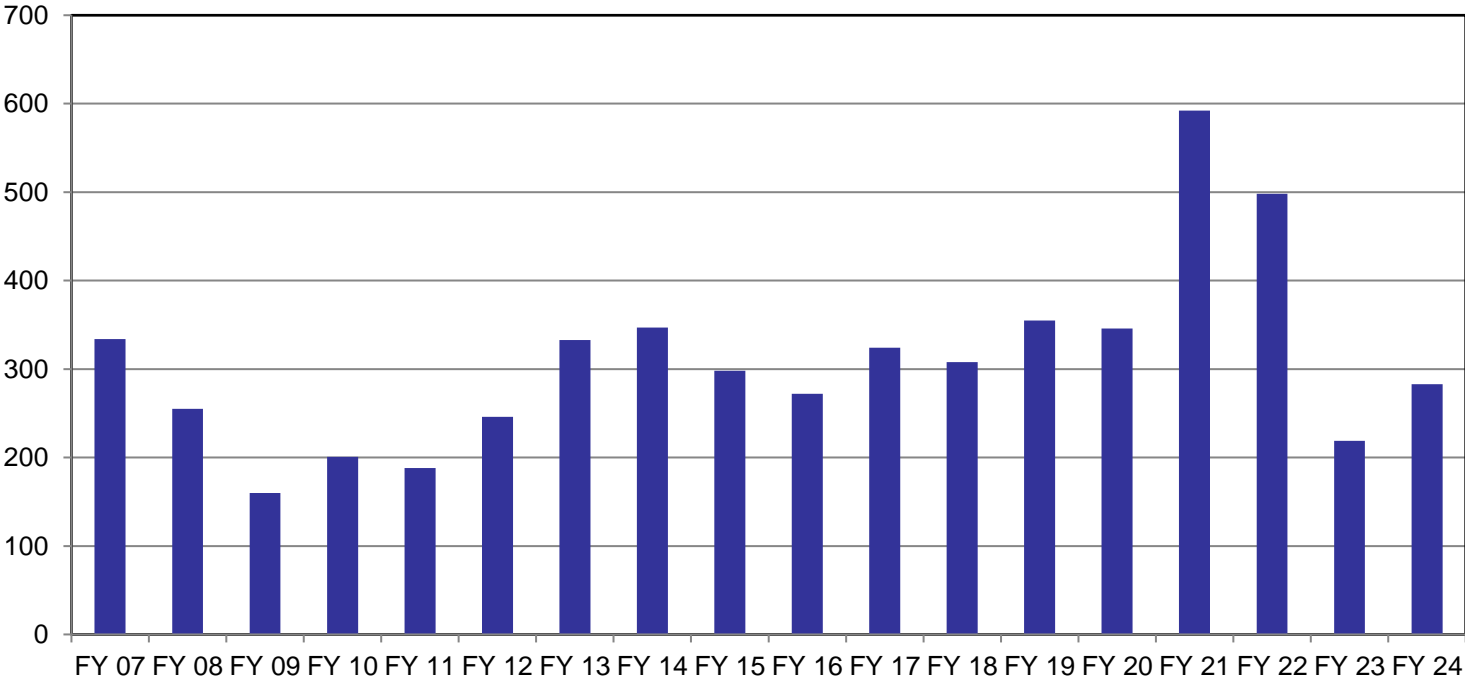
- FY23 actuals \$5.3M
- FY24 forecast \$7.5M
- FY25 forecast \$6.5M

Investment Income

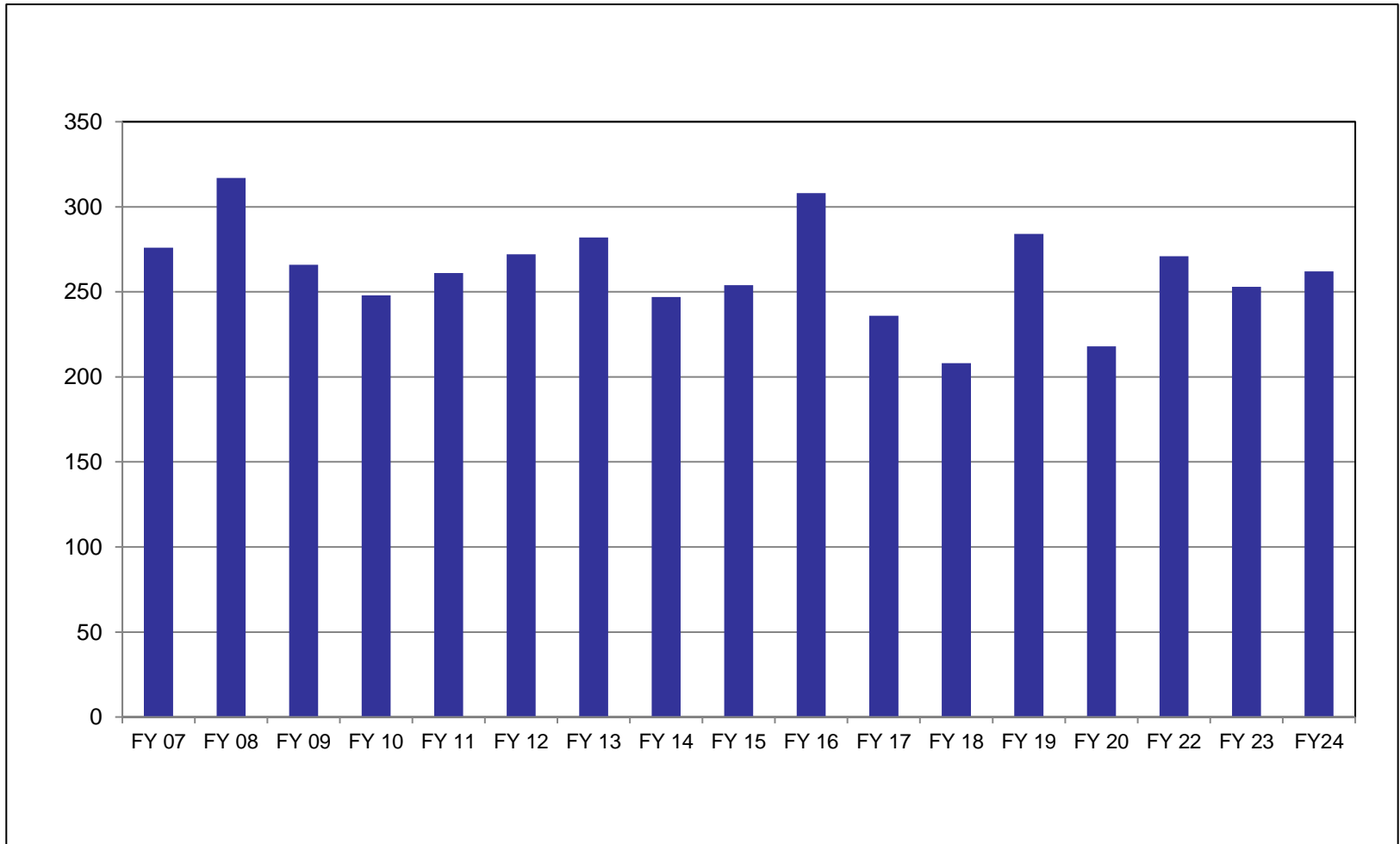
	FY25	FY26	FY27	FY28	FY29
FY25-29 Forecast	\$6.5M	\$4.2M	\$4.3M	\$4.3M	\$4.4M
FY25-29 Plan	3.9M	3.2M	3.3M	3.3M	3.4M
Change	\$2.6M	\$1.0M	\$1.0M	\$1.0M	\$1.0M

Building Permits

Residential Permits Issued



Commercial/Industrial Permits Issued



Building Permits

- FY23 actual \$0.5M
- FY24 budget \$0.7M
- FY24 forecast \$0.5M
- FY25 forecast \$0.5M

Building Permits

	FY25	FY26	FY27	FY28	FY29
FY25-29 Forecast	\$0.5M	\$0.5M	\$0.5M	\$0.5M	\$0.5M
FY25-29 Plan	0.7M	0.7M	0.7M	0.7M	0.7M
Change	(\$0.2M)	(\$0.2M)	(\$0.2M)	(\$0.2M)	(\$0.2M)

FY25-30 Operating Plan

Op Plan Assumptions

- CCPS
 - FY25 – 3.13%
 - FY26–30 – 3.0% growth
- Salaries
 - 5.55% in FY25, then 5.0%
 - Sheriff 4.0%

Op Plan Assumptions

- General – 3%/year
- Corrections – 5%/year
- Intergovernmental – 3%/year
- Debt Service – Tied to planned bonds in the CIP
- Assumed use of surplus of 1%

Op Plan Assumptions

- Reserve for Contingencies – 1% of annual revenue
- Non-profit service providers – varying growth rates

Op Plan Assumptions

- Ag Pres
 - Known and projected debt service on Installment Purchase Agreements (IPAs)
 - Cash for easements capped at \$2.5M

Op Plan Assumptions

- Board of Elections – 5%/year
- Pension and OPEB – based on actuarial studies
- Risk – 5%/year
- Various other smaller specific assumptions

Op Plan Drivers

- Increases from current Adopted Plan:
 - Fleet – price increases
 - Vehicles and equipment
 - Ongoing IT costs
 - Software Maintenance
 - Land Management System Migration

Op Plan Drivers

- Increases from current Adopted Plan:
 - Medical
 - Recreation and Parks
 - Pensions
 - Transfer to Capital

Op Plan Drivers

- Decreases from current Adopted Plan
 - Debt Service
 - Public Works
 - Transfer to Transit (FY25)
 - Workers Compensation ISF (FY25)

Changes From Op Plan

(In millions)	FY25	FY26	FY27	FY28	FY29
County DS	(\$3.0)	(\$4.1)	(\$2.5)	(\$1.3)	(\$1.0)
BOE DS - offset by Rev	(0.5)	(0.9)	(1.7)	0.0	0.6
CCSO/ Detention	0.6	0.7	0.7	0.7	0.7
DPW	(1.1)	(1.6)	(1.6)	(1.5)	(1.6)
Rec & Parks	0.8	0.8	0.8	0.9	0.9
Medical	2.4	2.2	2.3	2.5	2.6
Technology	0.4	0.4	0.6	0.6	0.6

Changes From Op Plan

(In millions)	FY25	FY26	FY27	FY28	FY29
Risk	(0.6)	0.0	0.0	0.0	0.0
Transfer to Capital	5.0	0.3	0.3	0.4	0.4
Other	(1.4)	(1.9)	(1.4)	(2.7)	(1.7)
Total	\$2.6	(\$4.1)	(\$2.5)	(\$0.4)	\$1.5

Topics to Discuss

General Fund Transfer to Solid Waste Enterprise Fund

(in millions)	FY25	FY26	FY27	FY28	FY29
FY25-30	\$3.6	\$3.8	\$4.6	\$5.0	\$5.5
FY24-29	4.0	4.5	5.3	5.7	6.2
Difference	(\$0.4)	(\$0.7)	(\$0.7)	(\$0.7)	(\$0.7)

BOE Capital

- Board of Education Capital
 - Design and construction for 4 kindergarten/pre-k additions
 - Design and construction for future pre-k additions
 - Systemics
 - Last roof included in FY29
- Sykesville Middle and Freedom Elementary are not included in the recommendation

Other

- Opioid Funding
 - Medically Assisted Treatment (MAT)
- Cannabis Funding
- EMS Billing
- PFAs
- Piney Run Dam
- BOU Rates
- Transit Funding
- Solid Waste
- Vacancies
- Fire/EMS Transition

So Where Does That Leave Us?

Op Plan Balances

FY24-29 Adopted	FY25	FY26	FY27	FY28	FY29
Adopted Balance	(\$6.6M)	(\$4.3M)	(\$9.5M)	(\$15.0M)	(\$19.3M)
%	(1.3%)	(0.8%)	(1.7%)	(2.6%)	(3.5%)

Current Forecast (Pre-Comm)	FY25	FY26	FY27	FY28	FY29
Change in Revenues	(\$10.8M)	(\$7.7M)	(\$4.1M)	(\$2.8M)	(\$4.8M)
Change in Expenditures	2.6	(4.1)	(2.5)	(0.4)	1.5
Balance	(\$13.1M)	(\$8.9M)	(\$12.9M)	(\$17.5M)	(\$25.2M)
	(2.5%)	(1.7%)	(2.3%)	(3.0%)	(4.2%)

Where Do We Go From Here?

Budget Calendar

- March
 - Recommended Presentation on March 19th
 - Agency Sessions
 - Issues

Budget Calendar

- April
 - Sine Die 4/8
 - Proposed Sessions 4/2-4/18
 - Set up and structure
 - Scenarios
 - ‘What ifs’ on the fly
 - Release of Proposed Budget 4/23
 - Roadshows 4/24-5/1

Budget Calendar

- May
 - Public Hearing 5/6
 - Adopted Sessions 5/14 and 5/16
 - Budget Adoption 5/21
- There isn't a lot of flexibility in the schedule

Back To The Beginning

- We aren't making decisions today.
- We are trying give you some things to think about as we head into the budget process.
- Any additional Board direction would be welcome.