



HARFORD COUNTY, MARYLAND

Office of the County Auditor

FISCAL IMPACT NOTE

Bill Number:
19-009

Annual Budget
Appropriation Ordinance

Sponsor:
Council President Vincenti
at the request of the County
Executive

Estimated Fiscal Impact:
This bill impacts all
Harford County
departments and
organizations that receive
funding from the County.

Proposed Revenues are
approximately \$613
million and Proposed
Expenditures are
approximately \$748
million.

Additional Information:

Version: 01
based on bill as
introduced 04/16/2019

Prepared by:
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County Auditor.

Summary of Legislation

THE ANNUAL BUDGET AND APPROPRIATION ORDINANCE OF HARFORD COUNTY, MARYLAND, to adopt the County Budget, consisting of the Current Expense Budget for the fiscal year ending June 30, 2020, the Capital Budget for the fiscal year ending June 30, 2020, the Special Purpose Budgets for the fiscal year ending June 30, 2020, and the Grants Budget for the fiscal year ending June 30, 2020; and to appropriate funds for all expenditures for the fiscal year beginning July 1, 2019, and ending June 30, 2020, as hereinafter indicated.

The bill will take effect July 1, 2019.

SUMMARY OF RECOMMENDATIONS

- Reduce General Fund budget categories to more accurately reflect actual expenditures:
 - Director of Administration - \$25,000
 - Facilities and Operations - \$100,000
 - Property Management - \$35,000
 - Director of Planning & Zoning - \$120,000
 - Citizen Affairs and Agricultural Services - \$105,000
 - Office of Economic Development - \$215,000
- Reduce Highways Fund budget categories to more accurately reflect actual expenditures:
 - Fleet Management - \$2.1 million
 - Snow Removal - \$50,000
- Reduce Water and Sewer Fund budget categories to more accurately reflect actual expenditures:
 - Water and Sewer Accounting - \$230,000
 - Water and Sewer O&M - \$1.45 million
- Health Insurance budgets can be reduced for divisions with little expected turnover:
 - Legal Services
 - P&Z – Director and Comprehensive Planning
 - Gov. and Comm. Rel. and Citizen Aff. and Ag. Services
 - All DILP Divisions
 - DPW – Program Management
 - DPW - Water and Sewer Engineering

- Other Post-Employment Benefits are not budgeted. We recommend the Administration include OPEB in the budget ordinance. (See pages 4 and 31) *Remains from prior year*
- Capital appropriations should be spent by receiving agencies prior to issuing further payments. (See page 17) *Remains from prior year*
- School and County officials should consider including technology refresh costs in the operating budget, rather than in the capital budget. (See page 25) *Remains from prior year*
- Reduce budget categories to more accurately reflect actual expenditures - Office of Economic Development - \$215,000
- County Officials should consider if the ratio of competitive grants to non-competitive contributions represents the ideal use of Hotel Occupancy Tax revenue. (See page 29) *Remains from prior year*

See departmental summaries for more detail.

Table of Contents

Summary of Recommendations.....	1
Budget Overview.....	4
Office of the County Executive.....	7
Department of Administration.....	8
Procurement.....	9
Treasury.....	10
Law Department.....	11
Planning and Zoning.....	12
Human Resources.....	13
Community Services.....	13
Handicapped Care Centers.....	14
Government and Community Relations.....	14
Health Department.....	15
Information and Communication Technology.....	15
Sheriff's Office.....	16
Emergency Services.....	17
Inspections, Licenses and Permits.....	19
Public Works.....	20
Director's Office.....	20
Program Management.....	21
Highways.....	21
Environmental Services.....	21
Water and Sewer.....	22
County Council.....	22
Judicial.....	23
State's Attorney.....	23
Board of Elections.....	24
Board of Education.....	25
Harford Community College.....	26
Harford County Public Library.....	27
Parks and Recreation.....	28
Conservation of Natural Resources.....	29
Community and Economic Development.....	29
Humane Society.....	30
Insurance.....	31
Benefits.....	31
Budget Format and Approval Process.....	32

BUDGET OVERVIEW

	2018 FY Actual	2019 FY Adopted	2020 FY Proposed	Change	Percent Change
Revenues	\$ 673,456,092	\$ 693,631,680	\$716,033,620	\$22,401,940	3.2%
Expenditures	667,628,448	734,607,025	747,648,125	13,041,100	1.8%
from Fund Balance	-		\$ 31,614,505		
Change in Fund Balance	\$ 5,827,644	\$ (40,975,345)	\$ -	\$ 9,360,840	
OPEB Adjust.	-	(10,916,594)	(2,509,800)		0.0%
Personnel	1486.35	1485.35	1494.35	9.00	0.6%

The proposed budget includes revenues and expenditures that are slightly higher than the prior year. A smaller amount of the County’s fund balances will be needed to accommodate the proposed expenditures.

As in the prior year, personnel costs make the largest changes to the budget. The County Executive has proposed \$2,000 merit increases for County, State’s Attorney, Circuit Court and Civilian Sheriff’s employees. Law Enforcement and Correctional Officers will receive a step increase plus a 1% cost of living adjustment. An additional \$10.65 million has been provided for Teacher Salaries.

Also contributing to the increased personnel expense is rising health care costs. Premiums are expected to rise 10% and 14% for the County and Schools, respectively. The increase will be partially offset by plan changes and employees paying a higher share than in prior years.

The proposed budget includes post-employment health plan (PEHP) contributions but Other Post-Employment Benefits (OPEB) has not been included. Historically, OPEB costs have been “Assigned” by the County Executive in the County’s year end Fund Balance and then added to the budget as a supplemental appropriation. Exclusion of the OPEB costs means that the proposed budget does not fully capture the future cost of current operations. For FY2019, the supplemental appropriations for OPEB totaled \$10.9 million. The proposed budget includes a related fund balance assignment of \$2.5 million.

The above changes apply to every department and will not be mentioned in every section of this analysis. Throughout the document, the FY2019 budget figures represent the amended budget and any supplemental appropriations that were approved during the year. Amendments to the proposed budget ordinance are shown in red font.

The last section of this document explains the Budget Format and Approval Process. That information will help users of this analysis who are not familiar with the County’s budget process. We also strongly recommend reading the

'Document Guide' and 'County Budget Policies and Process' within the County Executive's Proposed Budget Book.

Revenue Changes

We reviewed the proposed revenue for FY2020 and noted these changes:

- Property Taxes, the largest revenue source, are projected to increase by \$8.7 million (2.8%)
- Income Taxes will increase by \$6.8 million (3%)
- Building Permits and Electrical Inspections revenue will decline about 10% (\$92,000)
- Police Protection Grants from the state will increase 25% (\$500,000)
- Hotel Occupancy Tax is expected to decline 3% (\$70,000). We have noted that the amount of taxes collected in the past has not been fully allocated and remains restricted for Tourism activity.
- Board of Prisoners and Detention Center Commissary are expected to increase by 112% and 72%, respectively (\$168,000 and \$180,000). There is not a comparable change to Correctional Services or Inmate Welfare Fund expenditures. Work Release income is expected to decline by \$24,000 (34.3%).
- Sheriff's Office Training Academy revenue was new for FY19 but has been reduced by 85% to \$9,000 for FY20.
- Landfill tipping fees are expected to increase 23.5% (\$2,150,000). This change reflects recent revenue amounts.
- Recreation Program income is budgeted higher by 215% (\$43,000). This more closely approximates prior results.
- Across all funds, Sale of Property is projected to increase by \$386,000 (128.8%). Vehicle Sales has been increasing significantly over the last two years, but Land and Building Sales are new for FY2020.
- Highways fuel charges have been reduced by 78.4% (\$784,000). This reverses an increase that was implemented for FY2018 and is also reflected in Intra-County transfers for Fuel.
- Highways and Water and Sewer Miscellaneous Revenue have been reduced by 98.1% and 28.3%, respectively (\$178,800 and \$118,300) to round out the total fund revenue.
- Transfers for Vehicle Maintenance are expected to increase by \$307,000 (13.3%) based on actual expense history.
- Water and Sewer User Charges and Capital Charges are expected to increase 1.7% and 6.4%, respectively. Changes to Water and Sewer rates were adopted under Bill 15-022.

Departmental Variances

We noted the following significant changes among the departments' budgets:

- Board of Education funding increase of \$10.65 million for Instructional Salaries.
- Environmental Services' budget will increase by \$2.4 because of required payments to Baltimore County for the waste transfer station.
- Water and Sewer expenses for Contractual Services will increase by \$1.7 million to reflect actual expense history.
- Agricultural Preservation has been reduced by about 60% to \$9.7 million.
- Debt Service is expected to decline by 2.5% (\$2.05 million)
- Information and Communications Technology is projected to increase Contractual Services by approximately \$900,000
- Emergency Services' budget accommodates a \$650,000 (18.3%) increase to the EMS Foundation and \$108,000 for a full year of staffing for 8 paramedics.
- In addition to the above, five (5) other departments' budgets have increased more than 9.5% from FY2019: Law, Human Resources, Stormwater Management, Elections and Soil Conservation.
- Eleven (11) departments are budgeted more than 20% higher than the FY18 actual results: Procurement, Government and Community Relations, Stormwater Remediation, Information and Communication Technology, Emergency Services, County Council, Water and Sewer, Law, Parks and Recreation, and Treasury.
- The Division of Efficiency and Innovation will be absorbed by Budget and Management Research.
- The Community College and Public Library will each receive increases of approximately \$330,000.

These points will be covered in more detail within the departmental summaries.

Capital Projects

Capital projects are included within the budget analysis of the department responsible for leading each project. Prioritization of capital projects should be recommended by subject matter experts and approved by those in leadership. As a result, budget analysis of the capital projects is limited to general descriptions, current and prior appropriations and background information. The overall appropriateness of the Capital Improvement Program, including projected future funding, has not been assessed. A summary of the Capital Improvement Plan is in the Fiscal Impact Note for Resolution 009-19.

OFFICE OF THE COUNTY EXECUTIVE

	2020 FY Budget	Change from FY2018	Percent Change	2019 Amended Budget
	\$ 776,516	\$ 99,955	14.8%	\$ 766,021
<i>Unbudgeted OPEB</i>	7,295			
Total	\$ 783,811	\$ 107,250	15.9%	\$ 766,021
	Change from FY2019	\$ 17,790	2.3%	
Personnel	4	-	0.0%	4

Analysis and Key Changes

- The proposed budget is mostly unchanged from the amended FY2019 budget
- Compared to the actual FY2018 expenditures, the proposed budget has increased by 14.8%. The categories for contractual services, supplies and materials and business and travel were over-budgeted and could be reduced to more accurately reflect actual costs.
- The budget also includes funds for Shock Trauma (\$10,000) and other miscellaneous contributions (\$150,000), to be given throughout the year based on requests received by the County Executive. This amount remains unchanged from the prior year and for FY2018 the majority of the funds (\$145,691) were distributed. The recipients of this funding are not yet known.

Department's Key Functions

- The County Executive is elected by the citizens of Harford County and is responsible for administering the affairs of the Executive Branch of Harford County Government.

DEPARTMENT OF ADMINISTRATION

	2020 FY Budget	Change from FY2018 Act.	Percent Change	2019 Amended Budget
Office of the Director	\$ 636,523	\$ 1,212	0.2%	\$ 635,311
Property Management	3,662,187	\$ 110,536	3.1%	3,551,651
Efficiency and Innovation	-	\$ (309,649)	-100.0%	309,649
Facilities and Operations	4,965,189	\$ (50,184)	-1.0%	5,015,373
Central Services	596,346	\$ (20,673)	-3.4%	617,019
Budget and Management Research	805,080	\$ 223,665	38.5%	581,415
<i>Unbudgeted OPEB Adj.:</i>	<i>156,247</i>			
Total	\$10,821,572	\$ 898,571	9.1%	\$10,710,418
	Change from FY2019	\$ 111,154	1.0%	
Personnel	50	-	0.0%	50

Recommendations

- Reduce budget categories to more accurately reflect actual expenditures: Director of Administration - \$25,000, Facilities and Operations - \$100,000, Property Management - \$35,000

Analysis and Key Changes

- The Division of Efficiency and Innovation has been absorbed by the Division of Budget and Management Research to form the Division of Budget and Efficiency. The consolidation results in a small net decrease in costs.
- The Director of Administration’s Office budget includes \$220,000 for miscellaneous contributions, which is unchanged from the prior year. In FY2018 contributions from the office totaled approximately \$156,000. In prior years, the account funded \$20,000 contributions to SARC, Harford Family House, ARC, and Homecoming Project, \$50,000 to the Havre de Grace Colored High School, and \$25,000 to Community Foundation of Harford County. Contribution requests are submitted directly to the Director of Administration throughout the year; at this time, recipients of the funding are not yet known.
- The Director’s budget also includes \$50,000 for ‘Other Professional Services’, but that account has been consistently underspent.
- Property Management funding for space and real estate rental and other professional services was increased \$121,400 (3.8%) based on actual contract costs.
- Facilities and Operations funding increased \$62,000 (4.2%) for contractual services based on actual expense history related to

Department’s Key Functions

- The Director of Administration provides oversight and support services to all County government departments and agencies.
- Facilities & Operations includes Central Services and is responsible for the operations and maintenance of over 140 facilities throughout the County
- Property Management is responsible for property acquisition and lease management for the County’s approximately 600 properties
- Budget and Efficiency prepares and monitors the annual operating and capital budgets as well as studies the efficiency and economy of each County department/agency to find innovative uses and reuses of County resources

repairs to county-owned facilities, custodial services, and security systems services, as well as movers, asbestos, lead mitigation, and mosquito control.

- Both Facilities and Operations and Property Management have budgeted higher than historical Electricity costs; those amounts could be reduced by \$100,000 and \$35,000, respectively.
- Facilities Repair Program is an on-going project dedicated to replacement and repairs of county building systems, with \$2.15 million budgeted in FY2020. Outyears for this project have increased from \$500,000 to \$2.0 million in each year.
- Funding of new capital project 1201 Technology Drive (\$2,000,000) was made to address repairs at the H.E.A.T. Center
- Hazard/Flood Mitigation Assistance Program capital project provides authority to receive FEMA funds through certain federal programs.

PROCUREMENT

	2020 FY Budget	Change from FY2018 Act.	Percent Change	2019 Amended Budget
Procurement Operations	\$ 866,199	\$ 149,352	20.8%	\$ 921,009
Fleet Operations	9,191,903	3,173,130	52.7%	9,162,336
<i>Unbudgeted OPEB Adj.:</i>	<i>13,604</i>			
Total	\$10,071,706	\$3,336,086	49.5%	\$10,083,345
	Change from FY2019	\$ (11,639)	-0.1%	
Personnel	10	-	0.0%	10

Recommendations

- Reduce budget categories more accurately reflect actual expenditures: Fleet Management - \$2.1 million

Analysis and Key Changes

- Procurement’s Contractual Services budget decreased \$90,000, after a one-time consultant expense in FY19. The current amount budgeted reflects actual expense history.
- Fleet Management’s fuel budget of \$4.2 million is over-budgeted. Based on prior years’ spending, the budget amount can be reduced by \$2.0 million.
- Other Professional Services for Fleet Management has also been under used in the past. It could be reduced by \$100,000.
- Any reductions from the Fleet Management budget could only be used for Highways related costs.

Department’s Key Functions

- Timely and cost-efficient procurement of supplies and services for the County.
- Management of all County vehicles.

TREASURY

	2020 FY Budget	Change from FY2018 Act.	Percent Change	2019 Amended Budget
Office of the Treasurer	\$ 878,719	\$ 123,078	16.3%	\$ 802,944
Bureau of Accounting	1,827,582	188,180	11.5%	1,984,718
Bureau of Revenue Collections	1,093,662	239,831	28.1%	978,845
Water and Sewer Accounting	1,383,868	379,425	37.8%	1,373,230
<i>Unbudgeted OPEB Adj.:</i>	<i>121,544</i>			
Total	\$ 5,305,375	\$1,052,058	24.7%	\$ 5,139,737
	Change from FY2019	\$ 165,638	3.2%	
Personnel	41	-	0.0%	41

Recommendations

- Reduce budget categories to more accurately reflect actual expenditures: Water and Sewer Accounting - \$230,000

Analysis and Key Changes

- Staff changes and turnover reduce the overall Treasury budget by approximately \$120,000.
- Temporary Salaries have increased \$56,777 for seasonal help in Revenue Collections.
- Water and Sewer Accounting has over budgeted for Financial/Audit services; this account could be reduced by \$230,000. As part of an enterprise fund, the savings could only be used for Water and Sewer purposes.
- The remainder of the significant variances between the proposed budget and the FY2018 actual results are related to over-estimated health insurance.
- The Debt Service project allows for the collection of Recordation Tax and Transfer Tax in the Capital Projects Fund in accordance with State law. The FY2020 allocation to Board of Education Debt Service is \$23.2 million.

Department's Key Functions

- General accounting and collection of revenues for the County
- Prepares the County's financial statements and coordinates activities related to investments and debt management

LAW DEPARTMENT

	2020 FY Budget	Change from FY2018 Act.	Percent Change	2019 Amended Budget
Legal Services	\$ 2,107,171	\$ 303,170	16.8%	\$ 2,091,850
Risk Management	265,662	156,099	142.5%	178,095
<i>Unbudgeted OPEB Adj.:</i>	<i>79,688</i>			
Total	\$ 2,452,521	\$ 538,957	28.2%	\$ 2,269,945
	Change from FY2019	\$ 182,576	8.0%	
Personnel	15	-	0.0%	15

Department's Key Functions

- Provides legal guidance and representation for the County's Executive Branch Agencies
- County Attorney also advises outside agencies as directed by the County Executive
- Risk Management manages insurance claims for property and vehicle damage

Recommendations

- Health Insurance Budgets can be reduced for divisions with little expected turnover: Legal Services

Analysis and Key Changes

- Health Insurance increases for Legal Services are substantially higher than other departments at 43.3% (\$80,943).
- Legal Services has increased funding for summer interns and temporary policy analyst (\$58,000) as well as a contracted grants reviewer (\$26,000).
- The transfer of an Administrative Specialist position from Legal Services to Risk Management results in a net decrease in funding of \$13,173.

PLANNING AND ZONING

	2020 FY Budget	Change from FY2018 Act.	Percent Change	2019 Amended Budget
Director	\$ 718,142	\$ 221,255	44.5%	\$ 702,221
Comprehensive Planning	1,295,714	261,082	25.2%	1,338,745
Current Planning	1,976,468	107,946	5.8%	2,010,333
Ag. Preservation - County	9,472,000	8,075,977	578.5%	23,874,843
Ag Preservation - State	255,000	225,000	750.0%	355,000
<i>Unbudgeted OPEB Adj.:</i>	121,297			
Total	\$13,838,621	\$ 9,012,557	186.7%	\$28,281,142
	Change from FY2019	\$ (14,442,521)	-51.1%	
Personnel	37	1.0	2.8%	36

Recommendations

- Reduce budget categories to more accurately reflect actual expenditures: Director of Planning & Zoning - \$120,000
- Health Insurance budgets can be reduced for divisions with little expected turnover: P&Z – Director and Comprehensive Planning

Analysis and Key Changes

- Reduction of \$14.0 million for Agricultural Preservation purchases. The proposed funding of \$8.0 million will come from a dedicated fund that cannot be used for other purposes.
- Reduction of \$145,000 in funding for one-time expenditures in the prior year for Partnership for Action Learning in Sustainability and for Historic Preservation Commission
- Additional funding (\$12,500) for expenses related to the 2020 Census within Comprehensive Planning
- Funding for a temporary position was eliminated while one position was added to Current Planning. Funding for this addition was partially offset through the elimination of temporary funding for a Planning & Zoning Division Chief. The net effect of these changes was an increase of \$19,498
- P&Z anticipates receiving \$2,159,920 in State and Federal grants, which is a significant decrease from the previous year's grant funding of \$5,042,094. The required County match for all programs is \$15,480.
- The Director's budget is consistently overbudgeted for 'Other Professional Services' and other categories within Contractual Services. These line items could be reduced by \$120,000 to more closely reflect actual use.

Department's Key Functions

- Prepares, recommends, and enforces plans and regulations affecting the physical development and growth of Harford County
- Develops the Master Plan and reviewing zoning requests
- Administration of the State-funded and County-funded Agricultural Preservation programs

- Health Insurance costs for the Director’s Office and Comprehensive Planning have had significant increases over prior year actual costs.

HUMAN RESOURCES

	2020 FY Budget	Change from FY2018 Act.	Percent Change	2019 Amended Budget
Human Resources	\$ 1,049,118	\$ 168,845	19.2%	\$ 963,734
Personnel Matters	1,234,300	(626,694)	-33.7%	1,205,800
Personnel Matters	297,246	87,847	42.0%	293,496
Personnel Matters	283,310	84,600	42.6%	281,560
<i>Unbudgeted OPEB Adj.:</i>	<i>25,508</i>			
Total	\$ 2,889,482	\$(259,894)	-8.3%	\$ 2,744,590
	Change from FY2019	\$ 144,892	5.3%	
Personnel	9	1.0	12.5%	8

Analysis and Key Changes

- Increase of \$55,767 for the addition of 1 Human Resources Specialist
- The variances from the FY18 actual expenses for personnel matters was due to an increase of approximately \$300,000 in the FY19 budget for wellness programs due to contracting with a new vendor.

COMMUNITY SERVICES

	2020 FY Budget	Change from FY2018 Act.	Percent Change	2019 Amended Budget
Director of Community Services	\$ 2,156,037	\$ 555,200	34.7%	\$ 2,096,467
Office of Drug Control Policy	1,278,141	247,092	24.0%	1,271,096
Office on Aging	1,883,593	(83,784)	-4.3%	1,856,617
<i>Unbudgeted OPEB Adj.:</i>	<i>81,494</i>			
Total	\$ 5,399,265	\$ 800,002	17.4%	\$ 5,224,180
	Change from FY2019	\$ 175,085	3.4%	
Personnel	25	-	0.0%	25

Analysis and Key Changes

- Increased funding for personal services which is partially offset by a decrease in temporary salaries and health benefits due to the retirement of the Director of the Office of Drug Control.

Department’s Key Functions

- Administrative functions related to recruiting and retaining employees for County departments.
- Benefits administration and personnel related compliance matters.
- Management of the Special Pays accounts, which fund employee related costs, such as bonuses, service awards, retirement leave payouts, tuition reimbursements, training costs, and wellness programs.

Department’s Key Functions

- Community Services develops and coordinates programs to serve the needs of the County’s citizens.
- Provides grants to organizations that provide services to the community and receives grants from the State and Federal government to assist with those programs (Grant-In-Aid).
- The Office of Drug Control Policy provides prevention outreach and treatment support, as well as supporting the County’s specialty Drug Courts.
- The Office on Aging provides programs to support the needs of older and disabled

- Increased funding of \$22,000 for the Office of Drug Control to support the Heroin Initiative.
- Grants, contributions and grants-in aid increased substantially in the prior year’s budget, primarily due to receiving additional Federal and State grants that required matching County funds.
- Miscellaneous expenses have increased by 4.2%, which includes an additional \$56,000 in contributions for use by the Office of Drug Control and \$28,000 in new Grant-in-Aid.

adults, including running five senior activity centers throughout the County.

HANDICAPPED CARE CENTERS

	2020 FY Budget	Change from FY2018	Percent Change	2019 Amended Budget
Harford Center	\$ 588,303	\$ 35,267	6.4%	\$ 578,036
ARC Northern Chesapeake Region	1,866,522	120,828	6.9%	1,830,694
<i>Unbudgeted OPEB Adj.:</i>				
Total	\$ 2,454,825	\$ 156,095	6.8%	\$ 2,408,730
	Change from FY2019	\$ 46,095	1.9%	

Department’s Key Functions

- The Harford Center specializes in providing adult day programs to help develop vocational skills for its clients and promote more independent functioning.
- The ARC develops vocational skills and provides funding for residential community living arrangements, family support services, foster care, adoption, jobs and transportation, as appropriate.

Analysis and Key Changes

- Appropriations have increased approximately 2% to support operating costs.

GOVERNMENT AND COMMUNITY RELATIONS

	2020 FY Budget	Change from FY2018 Act.	Percent Change	2019 Amended Budget
Gov. and Comm. Relations	\$ 620,271	\$ 19,907	3.3%	\$ 605,654
Citizen Aff. and Ag. Services	609,485	163,863	36.8%	600,364
<i>Unbudgeted OPEB Adj.:</i>	6,495			
Total	\$ 1,236,251	\$ 190,265	18.2%	\$ 1,206,018
	Change from FY2019	\$ 30,233	2.5%	
Personnel	6	-	0.0%	6

Department’s Key Functions

- Facilitates the communication of information between various County organizations and the community, with a focus on educational and agricultural issues.

Recommendations

- Reduce budget categories to more accurately reflect actual expenditures: Citizen Affairs and Agricultural Services - \$ 105,000
- Health Insurance budgets can be reduced for divisions with little expected turnover: Gov. and Comm. Rel. and Citizen Aff. and Ag. Services

Analysis and Key Changes

- The proposed budget includes increased funds for Personal Services of \$30,234 for merit salary and anticipated health benefits increases. The other spending categories remain unchanged from the amended FY2019 budget.
- The proposed budget includes \$254,000 to provide contributions for agricultural related activities, such as Farm Fair, Bel Air Farmer’s Market, and other event sponsorships. These funds are supported by Hotel Tax revenue. In FY2018, approximately \$91,000 was actually disbursed in contributions and grants. Actual grant recipients are not yet known.
- Citizen Affairs has also budgeted \$35,000 for Management Services but has not fully used that account; it could be reduced by \$30,000.
- Health Insurance costs for the department are budgeted significantly higher than prior year actual results.

HEALTH DEPARTMENT

2020 FY Budget	Change from FY2018 Act.	Percent Change	2019 Amended Budget
\$ 3,815,987	\$ 87,674	2.4%	\$ 3,775,987

Analysis and Key Changes

- The budget includes an additional \$20,000 for rental space and \$20,000 for Water Testing.

INFORMATION AND COMMUNICATION TECHNOLOGY

	2020 FY Budget	Change from FY2018 Act.	Percent Change	2019 Amended Budget
	\$10,963,694	\$2,734,853	33.2%	\$ 10,802,426
<i>Unbudgeted OPEB Adj.:</i>	85,702			
Total	\$11,049,396	\$2,820,555	34.3%	\$10,802,426
	Change from FY2019	\$ 246,970	2.3%	
Personnel	23	-	0.0%	23

Analysis and Key Changes

- Contractual Services has increased about \$900,000 (12.8%) for various software changes, improvements and maintenance.

Department’s Key Functions

- Provides services on behalf of the Maryland Department of Health and Mental Hygiene
- The Health Officer is appointed by the Harford County Council (acting as the Board of Health) and receives a stipend from Harford County.
- The County reimburses the State for HCHD employees’ salaries.

Department’s Key Functions

- Information systems administration, computer support and management information systems
- Managing network, telephone and email connectivity, hardware and software support
- Creates and manages the Technology Refresh project replacement schedule

- Increased funding for temporary salaries from \$20,800 to \$162,798 for four (4) temporarily positions: one (1) full-time computer engineer, two (2) part-time night computer operators; and two (2) summer interns
- There are two ICT-related capital projects, both of which are on-going: Refresh Program and Safeguarding Business Operations (SBO). Funding for the projects decreased from \$2.9 in the prior year to \$1.9 million for FY2020. Some costs will be allocated to the three largest Funds since these projects benefit the entire County budget.

SHERIFF’S OFFICE

	2020 FY Budget	Change from FY2018 Act.	Percent Change	2019 Amended Budget
Administration and Support	\$ 6,953,931	\$ (4,474,944)	-39.2%	\$ 10,684,062
Patrol Operations	32,423,466	6,968,105	27.4%	30,182,863
Investigative Services	10,795,343	2,467,866	29.6%	9,880,830
Correctional Services	26,163,217	2,884,150	12.4%	26,011,517
Inmate Welfare Fund	881,623	199,388	29.2%	821,572
Court Services	7,461,503	974,241	15.0%	6,803,844
<i>Unbudgeted OPEB Adj.:</i>	<i>2,699,413</i>			
Total	\$87,378,496	\$ 11,718,219	15.5%	\$84,384,688
	Change from FY2019	\$ 2,993,808	3.5%	
Personnel	543.35	8.0	1.5%	535.35

Analysis and Key Changes

- HCSO law enforcement and correctional officers will receive a step increase and a 1% cost of living increase costing \$1.9 million. Civilian employees will receive the same \$2,000 increase as other County employees.
- Staff transfers between divisions of the Sheriff’s Office result in a net increase of \$538,581.
- Personnel costs for overtime and shift differential have increased from the prior year budget by \$237,653 to reflect actual expense history.
- Funding for seven (7) School Resource Officers of \$772,442 transferred from Miscellaneous funding to be reflected in the Office’s position summary.
- New position of Digital Forensics Examiner added (\$93,808) to Investigative Services
- Temporary salaries increased \$155,537 (6.3%) for various positions throughout divisions of the Sherriff’s Office
- Medical services for the Detention Center have decreased \$90,953 (2.6%) due to lower contracted costs.

Department’s Key Functions

- The Sheriff is elected in accordance with the State’s Constitution.
- There are 5 divisions within the office: Administrative Services, Patrol Operations, Investigative Services, Correctional Services and Court Services.

- Contractual services increased \$171,145 (34.1%) for new and existing software
- Funding for new equipment in 30 police cars totaling \$215,520
- Increases in Inmate Welfare account for furniture purchase of \$28,000
- The budget includes State and Federal grants of \$1,092,881, requiring a County match of \$357,016

EMERGENCY SERVICES

	2020 FY Budget	Change from FY2018 Act.	Percent Change	2019 Amended Budget
Administration	\$ 1,912,758	\$ (3,067,474)	-61.6%	\$ 5,201,782
Emergency Communications	7,253,027	827,115	12.9%	7,407,732
Support Services	2,499,133	259,623	11.6%	2,501,999
Volunteer Fire Companies	7,037,245	307,837	4.6%	6,964,084
Emergency Medical Services	6,361,836	5,899,038	1274.6%	1,589,118
Hazmat Response Team	485,370	134,047	38.2%	457,799
Rescue Support	272,967	145,639	114.4%	240,515
Natural Disasters	100,000	100,000	#DIV/0!	100,000
<i>Unbudgeted OPEB Adj.:</i>	270,921			
Total	\$26,193,257	\$ 4,876,746	22.9%	\$24,463,029
	Change from FY2019	\$ 1,730,228	7.1%	
Personnel	106	-	0.0%	106

Recommendations

- Capital appropriations should be spent by receiving agencies prior to issuing further payments. *Remains from prior year.*

Analysis and Key Changes

- Contributions increase six-fold to \$300,000 to fund the dredging of Jarrettsville Pond and the EMS Community Service Scholarship
- Contributions to the Volunteer Fire Companies will increase by \$129,161, while Worker’s Compensation for VFC’s decreased 20% (-\$100,000).
- Funding for many accounts were adjusted to reflect actual expense history
- Emergency Medical Services’ budget increased \$878,000 to move from a half year to a full year of 8 paramedics. The increase also includes benefits, supplies, equipment and \$75,000 to lease a new EMS facility. Related revenue remains unchanged since management does not have complete historical trends yet.

Department’s Key Functions

- Receives and disseminates all emergency requests in Harford County for fire, EMS, rescue, hazardous materials, and police incidents
- Manages emergency plans and ensures preparedness for incidents and recovery operations
- Serves as primary Homeland Security Coordination agency for the County
- Manages county- staffed Advanced Life Support Surge Ambulance units

- Funding for the EMS Foundation has increased by \$650,000 (15.5%), to fund ongoing operational costs, specifically health benefit costs, workers compensation, and replacement of chase vehicles. These costs have been moved from Administration to the EMS division for accounting.
- To better account for emergency overtime, a Natural Disasters account was created for FY2019. Funding has not changed.
- The department anticipates receiving \$1,391,443 in grants from State, Federal and Other sources; which remained unchanged from the prior year. The County's required grant match decreased slightly to \$137,989 in FY2020.
- \$5.8 million was reappropriated from the Emergency Operations Center Complex project, which is substantially complete.
- The Capital budget includes \$5.15 million in funding for the Next-Gen 9-1-1 project, \$1.0 million to renovate the Aberdeen VFC Station Renovation, and funding for communications projects and VFC facility repairs/renovations.
- An additional \$500,000 was made available to fund the renovation of the Whiteford Volunteer Fire Company. In last year's analysis, we noted that prior appropriations had not yet been spent by the Company. We do not know the current status of their spending.

INSPECTIONS, LICENSES AND PERMITS

	2020 FY Budget	Change from FY2018 Act.	Percent Change	2019 Amended Budget
Director of DILP	\$ 805,401	\$ 123,924	18.2%	\$ 819,183
Building Services	1,164,755	181,218	18.4%	1,145,164
Plumbing Services	674,924	101,446	17.7%	646,553
Electrical Services	745,731	73,899	11.0%	738,087
<i>Unbudgeted OPEB Adj.:</i>	<i>78,944</i>			
Total	\$ 3,469,755	\$ 559,431	19.2%	\$ 3,348,987
	Change from FY2019	\$ 120,768	3.6%	
Personnel	31	-	0.0%	31

Recommendations

- Health Insurance budgets could be reduced since little turnover is expected – All DILP Divisions

Analysis and Key Changes

- Aside from small decreases in funding due to staff turnover and salary adjustments (\$2,788) as well as Business and Travel (\$5,500) based on actual expense history, all other adjustments from the prior budget (\$151,390) resulted from merit salary and benefits increases.
- There were significant variances from the FY2018 results for each division related to Health Insurance costs. The budgeted amounts for this category increased in both FY2019 and FY2020.
- Other categories of expenses had only small variances.

Department's Key Functions

- Administers and enforces all laws and regulations related to licenses, including those for plumbing, mechanical, construction and electrical installations; manufactured housing, and abandoned buildings
- Generates revenue for the County through license, permit and inspection fees

PUBLIC WORKS

<i>Fund: General</i>	2020 FY Budget	Change from FY2018 Act.	Percent Change	2019 Amended Budget
Env. Serv. Admin. and Eng.	\$ 169,740	\$ (1,079)	-0.6%	\$ 174,133
Transfer Station	12,370,000	2,737,410	28.4%	9,970,450
Solid Waste Management	6,234,980	1,296,479	26.3%	5,105,240
Landfills - Post Closure	223,160	46,560	26.4%	223,050
Stormwater Management	1,501,551	51,120	3.5%	1,707,433
Projects Management	939,010	249,823	36.2%	948,007
<i>Fund: Highways</i>				
Director of Public Works	335,003	43,623	15.0%	317,929
Highways Engineering	2,419,353	128,192	5.6%	2,508,059
Construction Inspections	2,225,392	546,429	32.5%	2,040,356
Highways Maintenance	22,126,547	2,684,839	13.8%	22,315,361
Snow Removal	2,552,198	386,920	17.9%	2,336,898
<i>Fund: Water & Sewer</i>				
W&S Administration	4,830,256	960,491	24.8%	4,561,301
W&S Depreciation	13,750,000	3,050	0.0%	13,350,000
W&S Engineering	1,476,266	288,393	24.3%	1,512,799
W&S Maintenance	8,496,707	1,963,791	30.1%	8,652,123
Wastewater Processing	15,889,331	4,115,143	35.0%	16,528,486
Water Production	10,213,413	3,341,967	48.6%	10,100,017
<i>Fund: SWM</i>				
Stormwater Management	1,985,000	660,500	49.9%	1,660,243
<i>Unbudgeted OPEB Adj.:</i>	<i>1,155,027</i>			
Total	\$ 108,892,934	\$20,658,678	23.4%	\$104,011,885
	Change from FY2019	\$ 4,881,049	4.7%	
Personnel	365	-	0.0%	365

Department's Key Functions

- Design, management and construction of capital projects including Stormwater Management (Divisions of Program Management and Stormwater Management)
- Construction, maintenance and acceptance of County roads, bridges and associated structures (Division of Highways)
- Operation, maintenance and control of the water supply and wastewater collection and treatment within the County's Development Envelope (Division of Water and Sewer)
- Management of Solid Waste through operation of a landfill, contribution to a Transfer Station and management of closed landfills (Division of Environmental Services)

Recommendations

- Health Insurance budgets can be reduced for divisions with little expected turnover: DPW – Program Management, DPW - Water and Sewer Engineering,
- Reduce budget categories to more accurately reflect actual expenditures: Snow Removal - \$50,000, Water and Sewer O&M - \$1.45 million

Analysis and Key Changes

DIRECTOR'S OFFICE

- The Director's Office budget remains approximately level except for salary and benefit increases.

PROGRAM MANAGEMENT

- The Division's budget shows a variance from the FY2018 actual spending. This is expected because of increased projected costs for contractual inspectors in FY2019.
- The Division's costs for Health Insurance have been budgeted higher than actual use in the past.
- Stormwater management projects are selected based upon which will provide the largest cost-benefit impact towards the County's MS4 permit requirements. Fourteen (14) capital projects pertaining to stormwater management received funding for FY2020 compared to 16 in FY2019.

HIGHWAYS

- Staff Turnover will save the Division approximately \$230,000 (4.0%) in Salaries.
- Highways' budget is projected to increase \$516,000 to provide funding for a new storm drain repair process and an additional tree trimming crew.
- Snow Removal costs will increase 50% (\$200,000) based on actual expense history.
- Within the Snow Removal budget, 'Vehicle and Operating Equipment' could be reduced by \$50,000 to reflect prior use. Any savings would be restricted to Highways uses.
- Overall funding in the Highway's Capital Improvement Program increased \$28.5 million. This was expected as funding for a number of projects had been postponed for a year in the FY2019 budget.

ENVIRONMENTAL SERVICES

- Harford County entered into an agreement with Baltimore County in 2016 to pay for the construction of a Waste Transfer Station and for waste disposal. The budget has increased \$2.4 million for the payment to Baltimore County in accordance the agreement.
- One-time funding of \$970,000 has been provided for landfill equipment in FY2020.
- Contractual and Travel costs have been adjusted to reflect contract histories. There were similar adjustments in the prior year that are reflected in the variance from FY2018 actual results.

- The division's costs are allocated to other departments and divisions, when necessary, to correctly capture each project's costs.
- Stormwater Management projects are supervised by the Division

- Snow Removal is included in the Division of Highways budget.
- Highways determines its capital projects based, in part, on its annual infrastructure report.

- Landfill operations are management by Maryland Environmental Services (MES) on behalf of Harford County.
- Post closure landfill costs are dictated by the County's contract with MES.

WATER AND SEWER

- Water and Sewer’s Contractual Services budget increased \$1.7 million based on the actual expense history. The largest components of that amount are for Professional services in Water Production (\$925,000) and Wastewater Processing (\$500,050) and Purchased Water from Baltimore (\$170,000).
- Water and Sewer Administration has had increases for Pro Rata charges in both FY2019 and FY2020.
- W&S Engineering’s costs for Health Insurance have been budgeted higher than actual use in the past.
- Across the Water and Sewer division, budgets for Electricity and County Facility Repairs could be reduced substantially. Any savings would be restricted to Water and Sewer uses.
- 24 projects managed by Water and Sewer have been funded in the capital program.

- As an enterprise fund, Water and Sewer costs are paid from the revenues that those costs generate.

COUNTY COUNCIL

	2020 FY Budget	Change from FY2018 Act.	Percent Change	2019 Amended Budget
County Council Office	\$ 1,559,275	\$ 70,282	4.7%	\$ 1,488,993
County Auditor	481,635	\$ 14,077	3.0%	467,558
Board of Appeals and Rezoning	170,916	\$ (2,286)	-1.3%	173,202
Council Attorney/People’s Counsel	312,103	\$ 3,613	1.2%	308,490
Harford Cable Network	847,161	\$ 20,304	2.5%	826,857
<i>Unbudgeted OPEB Adj.:</i>	<i>23,461</i>			
Total	\$ 3,394,551	\$ 730,692	27.4%	\$ 3,265,100
	Change from FY2019	\$ 129,451	4.0%	
Personnel	28	1.0	3.7%	27

Department’s Key Functions

- Serves as the legislative branch of the Harford County Government
- Provides administrative oversight over the Office of the County Auditor, the Board of Appeals and Rezoning, Office of the Council Attorney/People’s Counsel, and Harford Cable Network.

Analysis and Key Changes

- Health Benefits adjustment includes an estimated cost increase as well as a decrease from changes in Council Office health insurance selections resulting in a net decrease for the department of \$62,063.
- Additional funding of \$21,050 for Post-Employment Health Plan (PEHP)
- One full-time Legislative Aide position was added during fiscal year 2019. This staff addition is reflected as a salary and position adjustment in this budget.
- A net increase in funding (\$8,634) for contractual services of special program personnel at Harford Cable Network
- Additional funds for supplies and materials (\$1,000) expenses

JUDICIAL

	2020 FY Budget	Change from FY2018 Act.	Percent Change	2019 Amended Budget
Circuit Court	\$ 1,835,799	\$ 181,501	11.0%	\$ 1,848,372
Jury Services	278,000	59,555	27.3%	278,000
Grand Jury	14,000	2,396	20.6%	14,000
Jury Commissioner	281,300	29,276	11.6%	270,523
Masters	221,563	6,242	2.9%	212,098
Community Work Service	359,506	31,297	9.5%	350,535
Family Court Services	656,303	53,525	8.9%	643,061
<i>Unbudgeted OPEB Adj.:</i>	<i>71,336</i>			
Total	\$ 3,717,807	\$ 435,128	13.3%	\$ 3,616,589
	Change from FY2019	\$ 101,218	2.8%	
Personnel	32	-	0.0%	32

Analysis and Key Changes

- The Judiciary budget remains approximately level aside from salary and benefit increases.
- The Jury Services and Grand Jury budgets show variances over the FY2018. This is expected because expenses were projected to increase in FY2019 as a new judge and courtroom were implemented.
- Anticipated grants to the department are \$685,593, requiring a County match of \$60,000.

STATE'S ATTORNEY

	2020 FY Budget	Change from FY2018 Act.	Percent Change	2019 Amended Budget
Office of the State's Attorney	\$ 6,339,047	\$ 761,325	13.6%	\$ 5,623,286
Family Justice Center	-	(301,103)	-100.0%	622,725
<i>Unbudgeted OPEB Adj.:</i>	<i>170,356</i>			
Total	\$ 6,509,403	\$ 630,578	10.7%	\$ 6,246,011
	Change from FY2019	\$ 263,392	4.2%	
Personnel	59	-	0.0%	59

Analysis and Key Changes

- The seven (7) employees of the Family Justice Center have been transferred to the Office of the State's Attorney along with related costs.

Department's Key Functions

- The State Constitution mandates the structure and responsibilities of the Circuit Court of Maryland for Harford County
- The State of Maryland pays for the judges, some law clerks and the Clerk of the Court's staff, while Harford County pays for all other costs related to the Circuit Court.

Department's Key Functions

- The State's Attorney represents the State of Maryland in all criminal actions.
- By law, the State's Attorney is a state official elected by the County's residents. The County pays all of the costs related to the Office.

- Increased funding (approximately \$33,000) to provide for the purchase of agency uniforms and increased transportation costs and training seminars
- The State’s Attorney Office anticipates receiving grants in the amount of \$875,075 and is required to provide matching funds of \$515,733.

BOARD OF ELECTIONS

	2020 FY Budget	Change from FY2019	Percent Change	2019 Amended Budget
Board of Elections	\$ 1,115,852	\$ 49,263	4.6%	\$ 1,066,589
Election Expense	1,539,167	\$ 240,096	18.5%	1,299,071
Total	\$ 2,655,019	\$ 289,359	12.2%	\$ 2,365,660
	Change from FY2019	\$ 289,359	12.2%	

Analysis and Key Changes

- Increase in reimbursements to the State Board of Elections for the County’s share of State-paid costs (\$78,264)
- Increase in equipment costs of \$205,665. This cost, for poll books and printers, did not occur in FY2019.

Department’s Key Functions

- Maintains Harford County’s voter registration database and conducts federal, state, local and municipal elections
- Ensures election results are valid and accurate

BOARD OF EDUCATION

<u>Complete Budget</u>	2020 FY Budget	Change	Percent Change	2019 FY Budget
Board of Education	\$ 640,439	\$ 24,549	4.0%	\$ 629,101
Executive Administration	1,549,957	9,270	0.6%	1,521,762
Education Services	183,315,790	10,119,025	5.8%	184,148,881
Special Education	45,927,877	5,904,855	14.8%	44,683,083
Extra-Curricular Activities	3,796,097	349,541	10.1%	3,796,597
Safety and Security	903,593	41,465	4.8%	900,623
Student Services	16,862,284	2,934,521	21.1%	16,234,682
Curriculum and Instruction	5,426,526	656,206	13.8%	5,724,804
Operations and Maintenance	70,481,538	-	0.0%	70,481,538
Business Services	37,862,145	-	0.0%	37,862,145
Human Resources	96,814,400	-	0.0%	96,814,400
Office of Technology	9,097,768	-	0.0%	9,097,768
Restricted Fund	29,599,970	(64,051)	-0.2%	29,664,021
Total	\$ 502,278,384	718,979	0.1%	\$ 501,559,405
Personnel	4,676.3	(115.5)	-2.4%	4,791.8

<u>Budget Request</u>	2020 FY Budget	Change	Percent Change	2019 FY Budget
County Executive's Budget	\$ 256,465,645	\$ 10,650,000	4.3%	\$ 245,815,645
HCPS Request to County Exec.	260,815,645	15,000,000	6.1%	251,603,673
Difference:	\$ (4,350,000)			\$ (5,788,028)

<u>County Appropriations</u>	2020 FY Budget	Change	Percent Change	2019 FY Budget
Administrative Services	\$ 2,946,985	\$ -	0.0%	\$ 2,946,985
Mid-level Administration	10,565,437	-	0.0%	10,565,437
Instructional Salaries	155,411,038	10,650,000	7.4%	144,761,038
Textbooks & Classroom Supplies	6,877,305	-	0.0%	6,877,305
Other Instructional Costs	1,596,362	-	0.0%	1,596,362
Special Education	16,102,558	-	0.0%	16,102,558
Student Transportation	6,484,184	-	0.0%	6,484,184
Operation of Plant	13,097,775	-	0.0%	13,097,775
Maintenance of Plant	2,600,461	-	0.0%	2,600,461
Fixed Charges	36,146,904	-	0.0%	36,146,904
Student Personnel Services	2,825,936	-	0.0%	2,825,936
Health Services	1,767,627	-	0.0%	1,767,627
Community Service	43,073	-	0.0%	43,073
Total	\$ 256,465,645	\$ 10,650,000	4.3%	\$ 245,815,645

Recommendations

- School and County officials should consider including technology refresh costs in the operating budget, rather than in the capital budget.

Analysis and Key Changes

- The Board of Education represents a significant portion of the County's budget. The County provides about half of the schools'

Department's Key Functions

- The Harford County Board of Education was established by state law to maintain a system of public schools in Harford County. The Board selects a Superintendent who is responsible for administration of the school system.
- There are 54 schools in the system, educating over 37,000 students annually.

funding. Other revenue comes from the State and Federal governments, grants and user fees.

- The County Executive’s budget includes \$256,465,645 an increase of 4.3% over the prior year.
- The Schools’ budget proposal includes expected health insurance increases of 14%
- The number of positions has been reduced by 115 to save \$10.3 million
- There were 39 projects in the school’s request. 11 have been funded in the County Executive’s proposal.
- Debt Service for school bonds is expected to be \$34.7 million, 4.8% higher than the prior year.

Our full analysis of the school’s proposed budget can be found at <http://www.harfordcountymd.gov/Archive.aspx?ADID=1564>

HARFORD COMMUNITY COLLEGE

	2020 FY Budget	Change from Prior Year	Percent Change	2019 Amended Budget
Complete Budget				
Instruction	\$ 18,515,356	\$ (3,553)	0.0%	\$ 18,518,909
Academic Support	6,983,835	(230,236)	-3.2%	7,214,071
Student Services	6,832,687	668,564	10.8%	6,164,123
Institutional Support	11,787,588	504,171	4.5%	11,283,417
Operations and Maintenance	4,623,087	(471,664)	-9.3%	5,094,751
Waivers/ Work Study	1,160,105	(49,421)	-4.1%	1,209,526
Non-mandatory Transfers	971,774	32,351	3.4%	939,423
Total	\$ 50,874,432	\$ 450,212	0.9%	\$50,424,220
	2020	Change from	Percent	2019
Budget Request	FY Budget	Prior Year	Change	Amended Budget
Fund: General				
County Executive's Request	17,147,844	336,232	2.0%	16,811,612
Board Request to County Exec.	17,147,844	336,232	2.0%	17,611,612

Department’s Key Functions

- Harford Community College provides transfer, career and developmental education programs and continuing education courses, per state statute.

Analysis and Key Changes

- The College’s Board of Trustees approved a budget request of \$17,147,844, which is 2% higher than the prior year. The County Executive has fully funded that request.
- The total College budget includes health care cost increases of 16% and salary increases of 2%
- Tuition rates will increase 3%
- The college’s budget proposal includes 3 capital projects, only two requiring County funding. The County Executive’s proposal includes funding for the Chesapeake Welcome Center (\$2.2 million) and Fallston Hall renovations (\$335,000).

HARFORD COUNTY PUBLIC LIBRARY

<u>Complete Budget</u>	2020		Percent Change	2019
	HCPL Budget Request	Change from FY2019		HCPL Revised Budget
Salaries and Benefits	\$ 16,021,742	\$ 736,280	4.8%	\$ 15,285,462
Books & AV Materials	2,974,085	266,679	9.8%	2,707,406
Contracted Services	857,463	202,023	30.8%	655,440
Utilities	661,920	15,504	2.4%	646,416
Operating Expenditures	609,590	37,250	6.5%	572,340
Total	\$ 21,124,800	\$ 1,257,736	6.3%	\$ 19,867,064
Revenues				
County Executive's Proposal	\$ 17,804,908	\$ 331,996	1.9%	\$ 17,472,912
Request to County Exec.	\$ 18,735,483	\$ 1,262,571	7.2%	\$ 17,869,435
State Funding	1,671,858	-	0.0%	1,671,858
Library Revenue	717,459	(4,835)	-0.7%	722,294
Other Revenues	-	-	-	-
Total	\$ 21,124,800	\$ 1,257,736	6.3%	\$ 19,867,064

Analysis and Key Changes

- Harford County provides approximately 88% of the Library's funding. The remainder comes from the State government, contributions and user fees.
- The Board of Library Trustees approved a budget request that is \$1.26 million (6.3%) higher than the prior year.
- Healthcare costs are expected to increase 10% or approximately \$730,000.
- Materials will increase by approximately \$250,000 (9.4%).
- Software maintenance costs will increase by about \$100,000.
- Other increases are related to Utilities and Security.
- The County Executive has proposed funding of \$17,804,908, an increase of 1.9% over the prior year.
- There are two capital requests from the library – Technology and Darlington Branch Expansion. The County Executive's proposal funds just the Technology project at \$25,000.

Department's Key Functions

- Provide efficient and convenient service to the residents of Harford County
- The Board of Library Trustees operates under state law and appoints a Chief Executive who manages the operations of the library system and its 11 branches.
- Library branches are County owned so, unless requested by HCPL, all funded maintenance-related capital projects pertaining to libraries will be included in the Administration's capital budget.

PARKS AND RECREATION

	2020 FY Budget	Change from FY2018 Act.	Percent Change	2019 Amended Budget
Administration	\$ 1,276,555	\$ 415,267	48.2%	\$ 921,649
Recreational Services	2,858,913	314,227	12.3%	2,805,220
Parks and Facilities	6,548,807	1,221,326	22.9%	6,223,308
Emmorton Rec. & Tennis Ctr.	311,229	47,042	17.8%	303,266
Oakington Peninsula	454,504	145,961	47.3%	450,223
Rec. Council Activities	154,267	28,610	22.8%	158,033
<i>Unbudgeted OPEB Adj.:</i>	231,779			
Total	\$11,836,054	\$2,404,212	25.5%	\$10,861,699
	Change from FY2019	\$ 974,355	9.0%	
Personnel	83	(1.0)	-1.2%	84

Analysis and Key Changes

- Increased miscellaneous funding to provide additional assistance for Chesapeake Therapeutic Riding (\$25,000), Cedar Lane Foundation (\$250,000) and Miracle League (\$250,000).
- Contractual services for Parks and Facilities increased \$360,500 including increased frequency of grounds maintenance (\$195,000) and a new contract for building/custodial services (\$150,000).
- The budgets for Parks and Facilities and Oakington Peninsula show variances from the actual costs for FY2018. This was expected as contractual services increased in FY2019 based on actual expense history.
- The department anticipates receiving approximately \$138,000 in grants, requiring \$44,038 in County matching funds.
- 22 capital projects received funding, including \$750,000 for 3 new projects (Dog Park construction, Mariner Point Park and Otter Point Creek Boat Launch).
- Increased funding of \$1.78 million for the Parkland Acquisition capital project

Department's Key Functions

- Responsible for several divisions: Administration, Parks and Facilities, Recreational Services and Capital Planning & Development.
- Operates and maintains park facilities
- Preserves open space
- Coordinates use of County facilities
- Manages departmental capital planning
- Generates revenue through management and use of Oakington Peninsula and Emmorton Recreation and Tennis Center facilities

CONSERVATION OF NATURAL RESOURCES

	2020 FY Budget	Change from FY2018	Percent Change	2019 Amended Budget
Extension Services	\$ 259,377	\$ 8,032	3.2%	\$ 251,345
Soil Conservation	538,506	\$ 41,313	8.3%	497,193
Unbudgeted OPEB Adj.:	13,738			
Total	\$ 811,621	\$ 63,083	8.4%	\$ 748,538
	Change from FY2019	\$ 63,083	8.4%	
Personnel	5	-	0.0%	5

Analysis and Key Changes

- Merit salary increases for County employees and funding to match salary increases for State employees
- Decrease funding (\$4,000) from one-time payment for computer upgrade in prior year

COMMUNITY AND ECONOMIC DEVELOPMENT

	2020 FY Budget	Change from FY2018 Act.	Percent Change	2019 Amended Budget
Economic Development	\$ 2,057,728	\$ 340,479	19.8%	\$ 2,037,691
Tourism and Marketing	2,080,000	396,000	23.5%	1,830,000
Harford Transit	859,227	(1,330,554)	-60.8%	1,332,487
Housing Services	1,422,696	263,908	22.8%	1,268,119
Unbudgeted OPEB Adj.:	44,448			
Total	\$ 6,464,099	\$ (285,719)	-4.2%	\$ 6,468,297
	Change from FY2019	\$ (4,198)	-0.1%	
Personnel	21	-	0.0%	21

Recommendations

- Reduce budget categories to more accurately reflect actual expenditures - Office of Economic Development - \$215,000
- County Officials should consider if the ratio of competitive grants to non-competitive contributions represents the ideal use of Hotel Occupancy Tax revenue. *Remains from the prior year.*

Analysis and Key Changes

Department's Key Functions

- Soil Conservation provides services to developers and land owners to ensure that construction projects have made adequate provisions for erosion control
- Extension Services is a cooperative program operated by the University of Maryland and provides education and information on horticulture, agriculture and nutrient management

Department's Key Functions

- Advance the economic welfare of the citizens of Harford County by strengthening opportunities for business development and community stability with a focus on jobs, transportation, and housing
- Housing Services accepts and administers Federal, State and Local housing funding to assist residents with housing issues, administers payments to landlords on behalf of clients that utilize agency programs, provides homebuyers counseling, and enforces the County's livability code
- Transit operations
- Tourism activities are funded through Revenues from the County's Hotel Occupancy Tax

- Economic Development has budgeted higher than actual use for ‘Other Professional Services’ and ‘Other’ categories. These accounts can be reduced to reflect actual use.
- Housing Services anticipates receiving \$12.1 million in grant funding; \$11.6 million of which is from the Federal government. This represents an 3.8% increase from the \$11.6 million budgeted for FY2019. The County is required to provide matching funds of \$117,274.
- The proposed Housing budget provides \$610,632 in Grant-In-Aid to outside organizations, which is 5.4% higher than the previous year.
- Harford Transit anticipates receiving State and Federal grants of \$5,023,115 – 36.1% higher than the prior year. Those grants will require a County match of \$2,132,841.
- Approximately \$140,000 in funding for temporary salaries in Housing and Transit was eliminated and charged to grants.
- Transfer of grant match requirement from Transit (-\$438,614) and the transfer of Community Development support services to Housing (\$65,483) for accounting purposes
- Increased funding of \$16,860 for data plans for bus cameras
- An additional \$37,000 in funding providing for County owned vehicles and non-targeted Fleet charges
- An additional \$250,000 has been appropriated for Tourism and Marketing to fund the Havre de Grace Colored High School.
- Hotel Occupancy Tax revenue is projected to be \$2.28 million. Tourism spending is projected to be \$2.08 million. It is not clear how much funding will be awarded competitively (Grant-in-Aid) and how much will fund non-competitive Contributions.

HUMANE SOCIETY

2020 FY Budget	Change from FY2018	Percent Change	2019 Amended Budget
\$ 950,000	\$ 150,000	18.8%	\$ 900,000

Analysis and Key Changes

- The proposed FY2020 budget increased \$50,000 for operational expenses. This is 5.6% more than FY2019.

Department’s Key Functions

- The Humane Society is an open admission shelter that takes in animals brought in by HCSO’s Animal Control and the general public.
- The Humane Society of Harford County is partially funded by Harford County Government. The remainder of its budget is comprised of customer charges and private donations.

INSURANCE

	2020 FY Budget	Change	Percent Change	2019 FY Budget
Fund: General	\$ 697,088	(17,088)	-2.4%	\$ 714,176
Fund: Highways	233,966	71,190	43.7%	162,776
Fund: Water and Sewer	186,291	26,071	16.3%	160,220
Subtotal	\$ 1,117,345	80,173	7.7%	\$ 1,037,172

Analysis and Key Changes

- The Self-Insurance fund will receive \$29.8 million in Revenues and Reimbursements from other funds.
- Most of the expenses in the Self Insurance Fund are for Healthcare costs.
- The current approximate balance in the Fund is \$3.5 million.

BENEFITS

	2020 FY Budget	Change from FY2019	Percent Change	2019 Amended Budget
Pension	\$ 984,971	46,903	5.0%	\$ 938,068
Firemen's Pension	1,997,167	(75,346)	-3.6%	2,072,513
Liquor Board Employees	6,500	-	0.0%	6,500
Worker's Compensation	-	-	0.0%	-
Other Post Empl. Benefits	2,509,800	(2,948,497)	-54.0%	5,458,297
Other Health Insurance	-	-	0.0%	-
Unemployment Insurance	89,000	-	0.0%	89,000
Death Benefits	19,000	-	0.0%	19,000
Retiree's Insurance	8,912,000	847,000	10.5%	8,065,000
Other Insurance	152,688	7,394	5.1%	145,294
Medical Services	15,540	-	0.0%	15,540
Total	\$ 14,686,666	\$(2,122,546)	-12.6%	\$ 16,809,212

Recommendations

- Other Post-Employment Benefits are not budgeted. We recommend the Administration include OPEB in the budget ordinance. *Remains from prior year.*

Analysis and Key Changes

- Retiree Insurance has increased by 10.5%. This is expected since healthcare costs are increasing for all departments.
- OPEB costs are related to the current operating expense but are not budgeted. Funds have been assigned for this use in the

Department's Key Functions

- A Self-insurance fund is maintained to pay healthcare, general and automobile liability claims and property damage losses.
- The amount of the actuarial estimate is transferred to the Self Insurance fund from the General, Highways, and Water & Sewer funds.

Department's Key Functions

- Section includes employee benefits that are not included in the departments operating budgets
- Pensions
- Workers' compensation
- Unemployment Insurance
- Death benefits
- Other than OPEB, these costs are not related to active County employees.

County's fund balance, but that designation may be changed by the County Executive.

- If the Health Care Consortium issues a return of health insurance premiums, that amount would be included in the "Other Health Insurance" category. This would only occur if the projected cost increase is higher than actual experience.

BUDGET FORMAT AND APPROVAL PROCESS

Each year the County must adopt a budget in accordance with Article V Finance and Taxation of the Harford County Charter. The County's fiscal year begins on July 1 and ends on June 30.

The County's budget must be balanced – Proposed Revenues must equal Proposed Expenditures. Debt may not be used to finance Operating expenditures but may be used for Capital Projects. Approved Operating appropriations expire on June 30. Capital Appropriations expire when the project has been inactive (no spending or new appropriations) for 3 fiscal years.

By April 15 each year, the County Executive must propose a budget to the County Council for its approval. The budget proposal is a Bill that includes expected revenues and appropriations for operating expenses and capital projects. The budget ordinance is supplemented by resolutions adopting the property tax rates and the Capital Improvement Plan, and a bill to update the Pay and Classification Plan.

The County Council must approve the budget by June 15. If the budget ordinance is not approved, the County Executive's proposal will take effect on July 1. The Council may reduce proposed appropriations but may not increase proposed revenues or expenditures. As an exception, the Council may increase the Board of Education appropriation, if the County Executive's proposal includes less funding than requested by the Board. An increase to the Board of Education budget would require reducing appropriations to other departments.

To facilitate the Council's review of the budget, the Office of Budget and Management Research prepares books detailing the Operating Budget and the Capital Improvement Plan.

The Operating Book contains:

- Budget Policies and Process information

- Fiscal Year Summary – consolidates all proposed revenues and expenditures for the proposed year, projects future fund balances, debt burden analysis and the proposed number of employees by department
- Fund Summaries – explains the total revenues and expenditures by Fund (i.e. General, Highways, Water and Sewer)
- Departmental Summaries – details proposed expenditures by department and expense category. Changes from the prior year budget are itemized. Within each department, Divisions are similarly detailed. Each department also includes details of expected State and Federal grants, where necessary.

It is important to note that while the Council is provided many details about the expected spending, the budget ordinance approves total spending at the Division level. The Council does not approve particular expenses or categories of expenses.

The Capital Book details the planned capital expenditures and contains:

- Capital Improvement Program – summarizes all capital projects by Fund and Funding Source for the proposed budget year and each of the next five years.
- Project Summaries – includes 1 page for each project, detailing the past and future funding, sources of funding and categories of expenses. Also describes the project's location and expected completion date.