

*... a new path forward by  
restoring balance and fiscal  
responsibility for our  
citizens & employees*



# HARFORD

COUNTY

## Approved FY16 Budget in Brief

Barry Glassman, County Executive



## **A Message from Harford County Executive Barry Glassman**

My first budget as county executive charts a new path forward by restoring balance and fiscal responsibility for our citizens and employees.

For fiscal year 2016, revenue projections show only modest growth overall, with new money for general operations increasing by 1.6%, or \$7.7 million. In addition, prior spending has drained our unassigned fund balance from \$30 million to \$6 million, and more than doubled taxpayer-supported debt to \$500 million over the past ten years. Rising debt is not sustainable with low revenue growth. We must begin to change course.

At my inauguration in December, I said that changes would not happen overnight, and the economy would not turn on a dime, but my administration would seize the chance to make a difference. This budget begins to restore fiscal balance, strengthen families and communities, and reinvest in our workforce, even as we improve services. This is the path I have chosen to move Harford County forward as Maryland's new center of opportunity.

My total approved budget for fiscal year 2016 including all funds is \$733,590,097, a decrease of .2% or \$1,169,297 from the current year. The total budget includes a General Fund Operating Budget of \$502,604,595 and a Capital Budget of \$91,333,553. Additional details can be found in the attached Budget in Brief. Highlights appear below.

### **RESTORING BALANCE & EFFICIENCY**

- No tax increases
- Lowest level of capital spending in 10 years, deferring large new capital projects and halting the trend of yearly increases in new debt
- Realistic six-year Capital Improvement Program, which helped Harford County retain the highest possible Triple-A bond rating and save money on financing costs
- Rightsizing of the county workforce, eliminating 67 positions thus far, and living within our means through ongoing efficiency measures

### **REINVESTING IN OUR WORKFORCE**

- Merit-based salary increases of \$1,000 per qualifying county employee; no new money is needed to fund this increase, due to our efficiency measures
- Support for employees in the Sheriff's Office, Public Library, State's Attorney's Office and Circuit Court system, with increased funding equivalent to \$500 per employee, and encouragement for their leaders to provide matching funds for salary enhancements

### **INVESTING IN EDUCATION**

- Funding for Harford County Public Schools at a record level
- Half of the county's new revenue directed to K-12 education
- Operating funding for HCPS at \$228,208,971, or \$5,062,039 above the Maintenance of Effort requirement
- Support for teachers, with \$3.1 million in increased funding for salaries and encouragement for the Board of Education to provide matching funds for salary enhancements
- Classroom technology upgrades of \$250,000 in capital funding for HCPS
- Restoration of \$300,000 in operating funds for Harford Community College that had been cut under the prior county administration

### **STRENGTHENING COMMUNITIES**

- First-ever county funding for treatment of heroin addiction, with an initial \$100,000
- Creation of a \$50,000 EMS Community Service Training Scholarship, offering training in exchange for public service
- Increased funding of \$150,000 for ambulance services provided by the Harford County EMS Foundation



## CAPITAL PROJECT HIGHLIGHTS

- Storm water remediation projects funded at \$6 million; despite our repeal of the rain tax, this amount is more county funding than in the past 8 years combined; projects are funded by redirecting and leveraging a portion of the existing recordation tax
- Road and bridge repairs: \$6,526,582
- Parks and recreation facility repairs and construction: \$1,935,000
- Priority repairs for Volunteer Fire Company facilities: \$600,000
- Upgrades to replace the county's antiquated and inefficient computer software and hardware: \$3,112,500
- Support for higher education with FY2017 funding planned for Harford Community College's Edgewood Hall renovation
- Havre de Grace Middle/High School replacement project retained in the six-year Capital Improvement Program, contingent upon revenues

Relevant to this budget are the actions my administration has taken in our first four months in office to revive job growth and business activity. With the help of our County Council, we repealed the rain tax, removing an unfair burden on businesses and other taxpayers. My administration also created a one-stop-shop for businesses to launch, relocate and grow in Harford County. Consolidating our Office of Economic Development at a modern facility on the Route 40 Corridor locates these vital services near Aberdeen Proving Ground and our growing knowledge-based economic sector. And we finally succeeded in implementing a hotel tax, using the proceeds for grants to spur tourism and the other businesses that flourish when visitors come to town. With these early actions we have laid the groundwork to capitalize on an improving economy.

In the near term, my administration is streamlining county operations to live within our means and better serve our customers. Actions include outsourcing, consolidating office space and using technology to improve services. In response to fiscal pressures, we are also rightsizing our workforce with a successful early retirement incentive, backfilling only essential roles and offering those opportunities to existing employees whenever possible.

Fiscal pressures are also the reason I announced in January that we would temporarily defer large new capital projects. No matter how worthy these projects may be, borrowing tens of millions of dollars must be done at the right pace to ensure our financial stability. This realistic and sustainable approach to future borrowing was recognized by the major bond rating agencies in granting us their highest possible Triple-A rating.

In closing, I want to thank the many citizens who shared their input at Harford County's first-ever virtual town hall meeting on the budget. Along with your emails, phone calls and letters, I appreciate your help in putting together a budget that reflects our shared priorities and this new path forward.

I also want to thank my budget team, and all of our county workers who work with integrity and diligence each day in service of our customers, the citizens of Harford County.

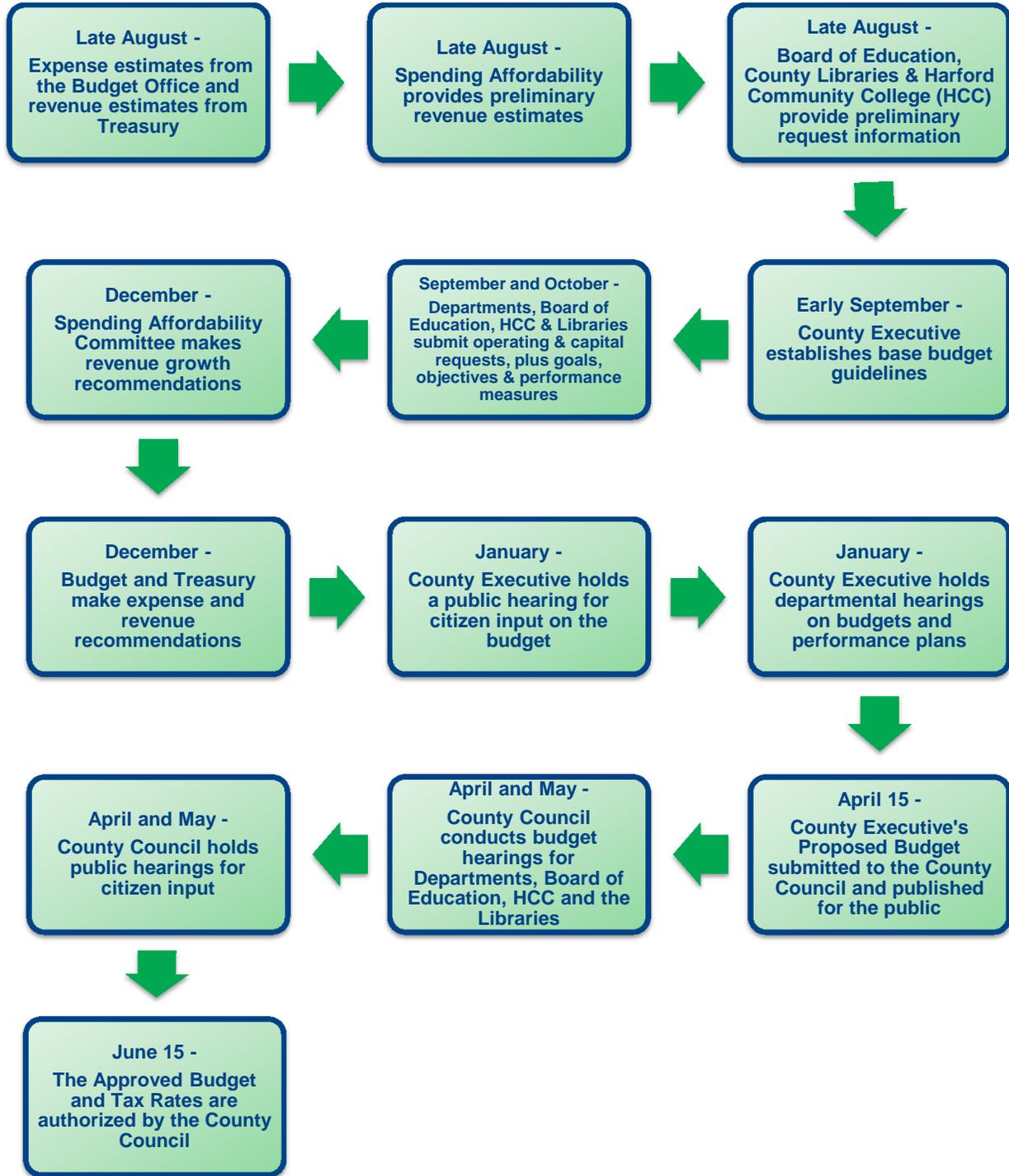
With every good wish, I remain

Very truly yours,

**Barry Glassman**  
**County Executive**

## BUDGET PROCESS

With advice from a Spending Affordability Committee (comprised of local citizen volunteers) and departmental staff; after meetings with all County departments, the Board of Education, the County Libraries and Harford Community College; and after conducting a public hearing to secure citizen input; the County Executive proposes an annual budget which by law, must be presented to the County Council by April 15th. The Council then holds its own hearings. By June 15th, the Council is required by law to adopt an Operating and Capital Budget and set tax rates.



## HARFORD COUNTY FISCAL POLICY

Harford County's Fiscal Policies and Budget Process were framed by the County Charter, Article V, Budget and Finance and the County Code; expanded by our Business Plan; enhanced by recommendations of the Government Finance Officers Association; and conform to Federal, State and local regulations as well as requirements of the Governmental Accounting Standards Board. At the core of these policies is the County's determination to remain fiscally conservative, yet recognize fluctuations in the economy, changing trends, the adoption of new laws, and the concerns of our citizens. The County constantly reviews and adapts where necessary, our ways of conducting business. Harford County's Five Year Business Plan assures our citizens that funding for public services, programs and facilities is sufficient to assure effectiveness, appropriate as to source; and fair and equitable throughout the County. The cornerstones of the Plan are:

### A Six Point Financial Plan

*Expenditures will be based on a real versus a perceived need*

*Expenses, functions, services and projects will be affordable*

*An affordable ten year capital program will be planned and implemented in accordance with the County's debt policies*

*Conservative operating budgets will be planned and prepared*

*New sources of revenue will be identified and advanced*

*A fund balance equal to 5% of the General Fund Operating Budget will be preserved to maintain our credit rating & provide for emergencies*

### Strategic Planning Incorporating Ten Principles of Sound Financial Management

*The County's Land Use Plan shall not become static and will be synchronized with the Operating & Capital Budgets and the Capital Improvement Program;*

*The retention and expansion of local businesses will be encouraged, while attracting new companies to the County in order to expand our assessable base, diversify our economy, and increase employment opportunities for our citizens;*

*Budgets will be conservative; a surplus in the General Fund at the end of each fiscal year shall be imperative; and a 5% Reserve of the General Fund will be maintained;*

*Net Bonded Debt will be maintained at a level of no more than 2.3% of the full cash value of assessable property in the County. As we hold conservative, yet fluid and responsive debt management to be fiscally prudent, bonded debt and its resulting Debt Service is to be kept to as small a portion of the General Fund Budget as is realistically possible, while not tied to a set ratio;*

*Debt will be issued only after a careful analysis ensures that revenue to pay that debt will be available;*

*If a deficit is forthcoming, the County Executive will impose a freeze on hiring and spending;*

*Accounting practices will conform to Generally Accepted Accounting Principles;*

*All efforts will be made to improve program and employee productivity;*

*Duplicative functions within government will be reduced;*

*County Agencies will fully support the cost management system.*

### Debt Management

*Pay-As-You-Go (Paygo) will be used for minor renovation and repair projects with an asset life of less than ten years; new buildings, major renovations and repairs to existing facilities, which contribute to the asset's life can be financed with General Obligation bonds.*

### Cash Management

*100% of idle cash will be pooled for investment based on an analysis used to determine the best possible return while ensuring maximum cash availability.*

### Revenue Policies

*An annual review of revenue projections for the next three fiscal years; setting user charges and fees at a level related to the cost of providing the service; assuring that property appraisal and assessment procedures (through a State function) are fair and accurate, checking that property classifications ensure land zoned carries the proper appraisal; and following an aggressive policy of collecting property taxes.*

### Operating Budget Policies

*Assure that all current expenses will be paid for with current revenues; capital plant and equipment will be maintained & scheduled for orderly replacement; three year expenditure projections will be updated annually; enacted budgets will be adhered to; monthly reports will be prepared comparing actual revenues to expenses; fiscal impact statements will be prepared for all legislative proposals, new administrative policies, procedures/programs, & will be used to determine the revenue & expense impact of subdivision approvals.*

### Capital Improvement Budget Policies

*Require the County to use the least costly method of financing all new projects, & to coordinate the capital budget with the operating budget; projected debt service must follow the County's debt policies & be included in the operating budget.*

## HARFORD COUNTY BUDGET ORGANIZATION

Harford County's comprehensive financial and operating plan for the fiscal year is comprised of the Annual Operating and Capital Budgets and our Six Year Capital Improvement Program.

### The Operating Budget

The Annual Operating Budget details fiscal information for all County departments and agencies along with information on services, programs, goals, objectives, performance measures, and staffing requirements. Also defined are the County's contributions to independent sectors such as the Board of Education, Harford Community College & the County's Libraries. The budget consists of the following separate established funds to record the receipt and application of resources which by law or generally accepted accounting principles, must be kept distinct:

#### The General Fund

- The General Fund is the principal operating fund for Harford County Government and is used to account for all financial resources except those required by law, County policy, and/or generally accepted accounting principles to be accounted for in another fund.

#### The Highways Fund

- The Highways Fund is used to account for dedicated revenues derived from specific taxes and other earmarked revenue sources restricted to expenditures for the operation and support of the Department of Public Works - Divisions of Highways and Construction Management, County fleet maintenance, traffic safety and transportation services.

#### The Water and Sewer Debt Service Fund

- The Water and Sewer Debt Service Fund accounts for principal and interest payments on water and sewer bonds and loans, financed by dedicated revenues derived from user fees and surtaxes.

#### Solid Waste Services

- The Solid Waste Services fund is used to account for solid waste management costs to the extent that solid waste related revenues are available. All other costs are in the General Fund.

#### The Water and Sewer Fund

- The Water and Sewer fund is an enterprise fund, accounting for operations financed and conducted similar to private enterprise. It is the County Government's intent to finance these services primarily through charges to water and sewer service customers.

#### Special Revenue Funds

- The Special Revenue Funds were established to comply with the Governmental Accounting Standards Board's (GASB') Statement No. 34, which requires maintaining individual accounts for programs of a self supporting nature (Parks and Recreation Special Revenue Fund) or which do not provide basic governmental services (County and State Agricultural Preservation Funds).

#### The Tax Increment Financing Fund

- The Tax Increment Financing Fund is a special fund for the deposit of a certain portion of the real property tax collected in a development district and used to finance or reimburse the cost of special obligation bonds for certain public improvements relating to the district without constituting a general obligation of the County.

### The Capital Budget and Capital Improvement Program

Harford County Government officials, with input from all departments and agencies, identify the long-range need to construct new or improve existing public facilities, and formulate a capital plan, consisting of a one year Capital Budget and a six year Capital Improvement Program. Such a program provides appropriation authority and planning for projects of long-term usefulness, size and cost, and/or which require large expenditures of funds usually programmed over more than one year and which result in a durable capital asset.

## HARFORD COUNTY BRIEF ECONOMIC FACTS

### Population

	Households	Population	Population Distribution	Age	Number	Percent
2000	79,667	218,590		Under 5	14,049	5.6%
2010	90,218	244,826		5-19	50,078	20.1%
2020*	97,775	258,650		20-44	76,891	30.9%
*Projected				45-64	73,166	29.4%
				65 and over	35,031	14.0%
					<b>249,215</b>	<b>100.0%</b>

### Major Employers

Employer	Product/Service	Employment
Aberdeen Proving Ground	Military Installation/R&D	16,797
Upper Chesapeake Health	Medical Services	3,129
Rite Aid Mid-Atlantic Customer Support Ctr.	Pharmaceuticals/Consumer Goods	1,300
Kohl's	Consumer Goods Distribution/Retail	1,255
Harford Community College	Higher Education	1,029
Klein's ShopRite of Maryland	Groceries	1,000
Walmart	Consumer Goods Distribution/Retail	900
Jacobs Technology	Laboratory Analyses	865
Home Depot	Home Improvement Products	500
Target	Consumer Goods	500

### Income

Distribution	Harford County	Maryland	U.S.
Under \$25,000	13.2%	16.1%	23.9%
\$25,000 - \$49,999	16.2%	18.1%	24.0%
\$50,000 - \$74,999	18.5%	17.4%	17.9%
\$75,000 - \$99,999	15.4%	13.3%	11.9%
\$100,000 - \$149,999	20.9%	18.0%	12.7%
\$150,000 - \$199,999	8.8%	8.5%	4.8%
\$200,000 and over	7.0%	8.6%	4.8%
<b>Median Household Income</b>	\$79,091	\$72,345	\$52,176
<b>Avg. Household Income</b>	\$92,583	\$94,841	\$72,897
<b>Per Capita Income</b>	\$34,656	\$35,837	\$27,884
<b>Total Income (millions)</b>	\$8,417	\$203,854	\$8,436,477

### Tax Rates

	Harford County	Maryland
Corporate Income Tax (2015)	None	8.25%
Personal Income Tax (2015)	3.06%	2.0%-5.75%
Sales & Use Tax (2015)	None	6.0%
Real Property Tax (2015)	\$1.04	\$0.11
Business Personal Property Tax (2015)	\$2.60	None

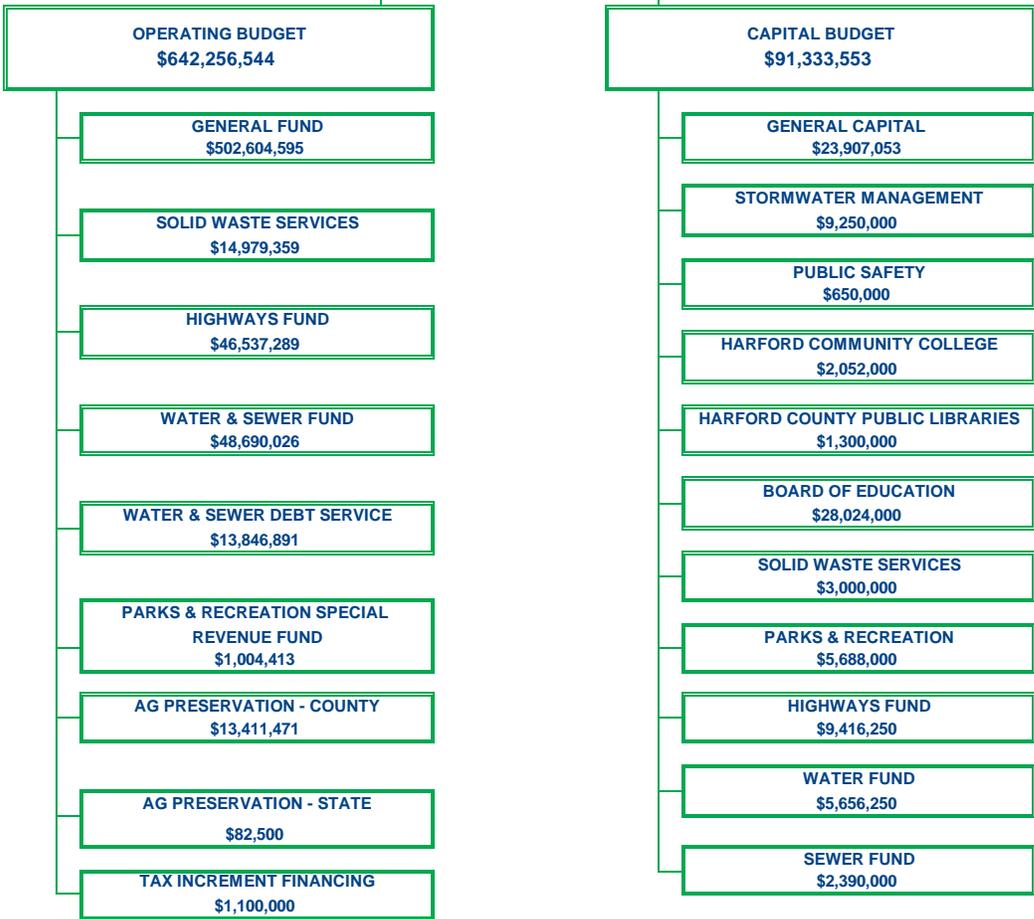
Major Tax Credits Available:

*Enterprise Zone, Job Creation, R&D, Biotechnology and Cybersecurity Investment, A&E District*

### Harford County's Bond Rating

Harford County went to the bond market on April 7, 2015 for a \$114,920,000 bond sale. The County received the highest rating possible from all of the three investor services, resulting in Fitch Ratings of AAA, Standard and Poor's ratings of AAA, and Moody's Investor Service ratings of Aaa. Harford County received its ratings based on increasing business growth, favorable debt ratios, sound financial operating and reporting and conservative budgeting.

**HARFORD COUNTY**  
**TOTAL FY 16 APPROVED BUDGET ALL FUNDS**  
**\$733,590,097**



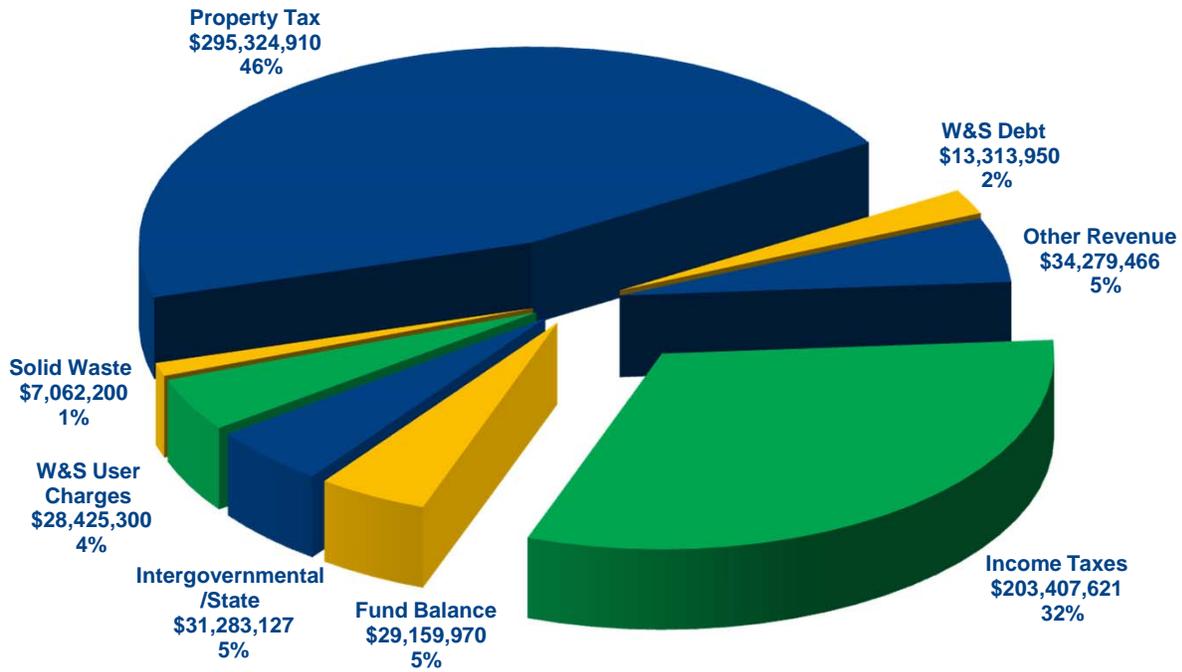
**76¢ OF EVERY GENERAL FUND DOLLAR IS ALLOCATED TO EDUCATION AND PUBLIC SAFETY\***



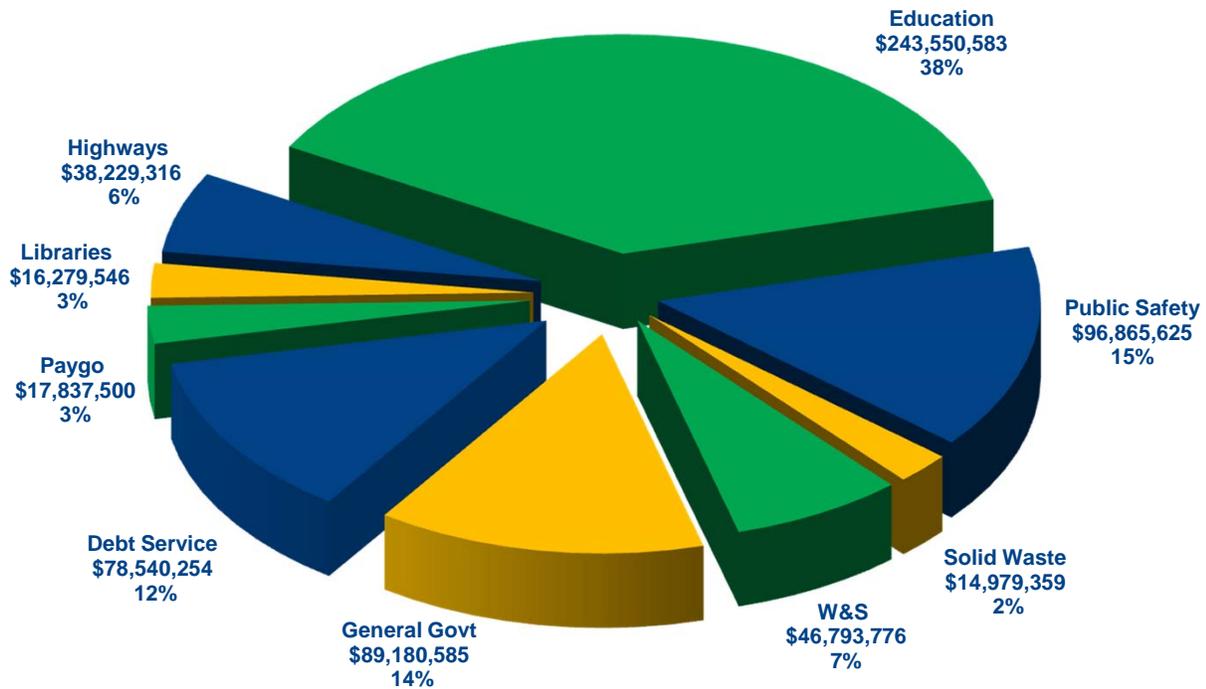
# ALL FUNDS

## Fiscal Year 2015 - 2016

**TOTAL APPROVED REVENUES \$642,256,544**



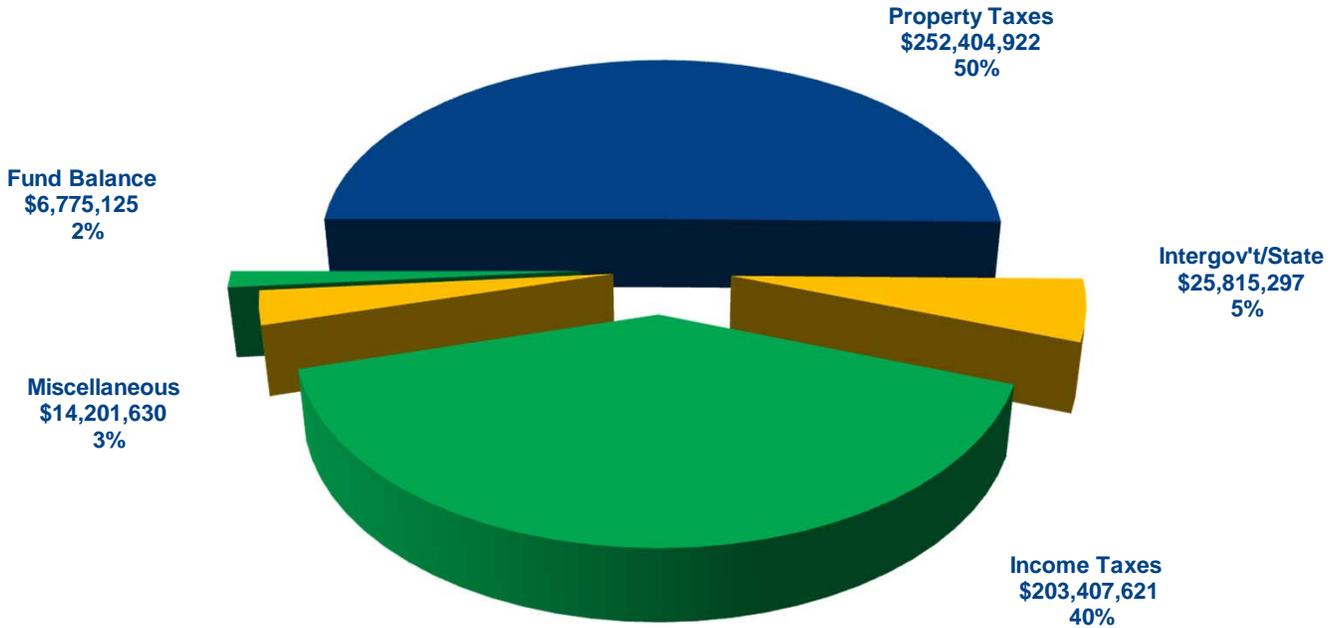
**TOTAL APPROVED APPROPRIATIONS \$642,256,544**



# GENERAL FUND REVENUES

Fiscal Year 2015 - 2016

TOTAL APPROVED BUDGET \$502,604,595



## FY 2016 APPROVED GENERAL FUND REVENUE BREAKDOWN

<b>PROPERTY TAXES:</b>	<b>50%</b>	<b>252,404,922</b>	<b>INCOME TAX</b>	<b>40%</b>	<b>203,407,621</b>
Real & Personal	257,821,922				
Deductions	(5,417,000)				
<b>MISCELLANEOUS:</b>	<b>3%</b>	<b>14,201,630</b>	<b>INTERGOV'T/STATE:</b>	<b>5%</b>	<b>25,815,297</b>
Investment Income	316,000		Intergovernmental	3,713,924	
License & Permits	4,211,700		Intra-County	826,600	
Other Taxes	6,837,800		Pro Rata	4,674,773	
Service Charges	1,966,730		Recordation	8,100,000	
Fines & Forfeitures	98,100		Transfer	8,500,000	
Miscellaneous Revenues	771,300		<b>FUND BALANCE</b>	<b>2%</b>	<b>6,775,125</b>

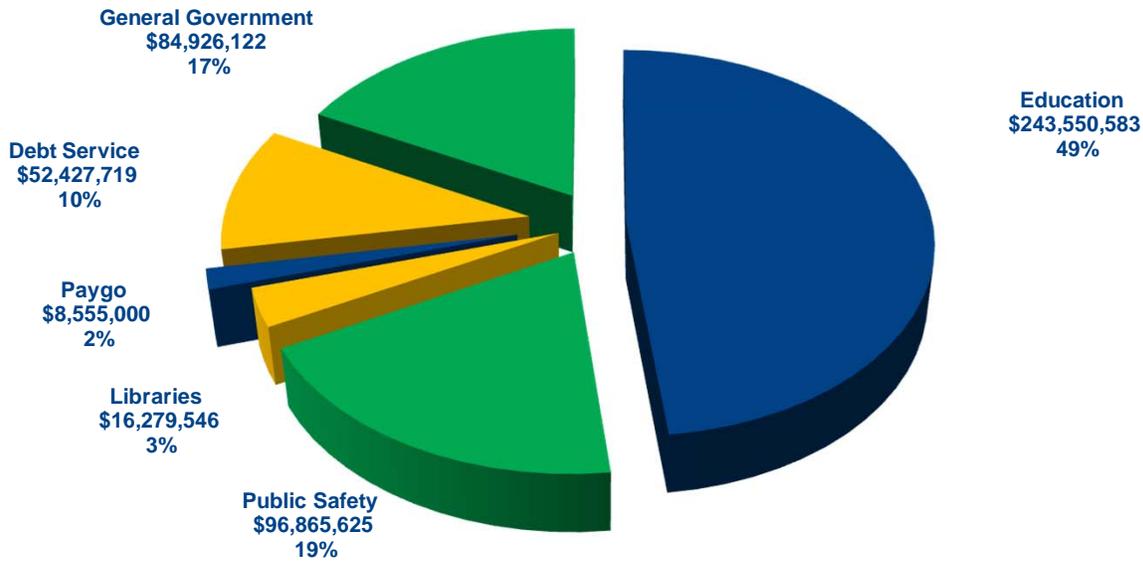
**TOTAL GENERAL FUND REVENUES**

**502,604,595**

# GENERAL FUND APPROPRIATIONS

## Fiscal Year 2015 - 2016

**TOTAL APPROVED BUDGET \$502,604,595**



### FY 2016 APPROVED GENERAL FUND APPROPRIATION BREAKDOWN

<b>GENERAL GOVERNMENT:</b>		<b>17%</b>	<b>84,926,122</b>	<b>EDUCATION (OPERATING):</b>		<b>49%</b>	<b>243,550,583</b>
County Executive	635,085			Board of Education	46%	228,208,971	
Administration	6,695,869			Harford Community College	3%	15,261,612	
Procurement	4,516,987			School for the Blind		80,000	
Treasury	3,231,148						
Law	2,166,482			<b>PUBLIC SAFETY:</b>	<b>19%</b>		<b>96,865,625</b>
Planning & Zoning	3,497,814			Sheriff		70,889,678	
Human Resources	1,798,888			Emergency Services		10,551,891	
Community Services	4,572,507			Volunteer Fire Companies		6,724,642	
Handicapped Centers	2,438,730			EMS Foundation		2,797,814	
Office of Gov't. & Comm. Rel	579,256			Inspections, Licenses & Permits		2,756,352	
Health	3,628,318			Environmental Services		2,395,248	
Housing	1,276,347			Humane Society		750,000	
Info. & Comm. Technology	6,802,677						
Public Works	1,211,903			<b>LIBRARIES</b>	<b>3%</b>		<b>16,279,546</b>
Council	2,852,778						
Judicial	3,050,216			<b>PAYGO:</b>	<b>2%</b>		<b>8,555,000</b>
State's Attorney	5,804,436						
Elections	2,327,175			<b>DEBT SERVICE</b>	<b>10%</b>		<b>52,427,719</b>
Parks & Recreation	8,916,552						
Natural Resources	686,897						
Economic Development	6,593,889						
Benefits	7,014,847						
Appropriation to Towns	3,437,321						
Appropriation to State	1,040,000						
Rural Legacy Program	50,000						
Contingency Reserve	100,000						

**TOTAL GENERAL FUND APPROPRIATIONS**

**502,604,595**

## GENERAL FUND REVENUES

The General Fund accounts for the largest portion of the total financial operations of Harford County Government. General Fund appropriations are used primarily to finance the administrative activities of County Government and to provide programs and services to our citizens. The major portion of the Board of Education's funding comes from County General Fund dollars. County support for Harford Community College, the Health Department, and the Libraries also come from the General Fund. Other funding sources are comprised of revenues earmarked for specific expenses. It is solely General Fund revenues that are used for basic operations and government services. The majority (90%) of our projected Fund Revenues come from Property Tax and Income Taxes.

	APPROVED BUDGET FY 15	APPROVED BUDGET FY 16	CHANGE FY 16 VS. FY 15
--	-----------------------------	-----------------------------	---------------------------

**GENERAL FUND SUMMARY BY MAJOR REVENUE SOURCE:**

<b>PROPERTY TAXES</b>	252,012,852	254,404,922	2,392,070
-----------------------	-------------	-------------	-----------

In FY 16, the percent of overall increase in property tax is .96% or \$2,392,070. This is primarily due to a modest recovery in property assessments. Property assessments have increased, albeit slightly, for the second year in a row after declining for the previous four years. Each year one-third of the County is reassessed by the State Department of Assessments and Taxation and the new assessments are phased in over the next three years. For FY 16, the Route 40 area of the County was reassessed, increasing by 3.1% over the previous assessment conducted for FY 13. Residential properties declined by 1.2%; however that loss was more than offset by a 14.7% growth in the value of commercial properties.

<b>INCOME TAXES</b>	198,729,650	203,407,621	4,677,971
---------------------	-------------	-------------	-----------

Income Tax is calculated in Maryland as a percentage of net taxable income. While the State sets a tax rate cap of 3.2% for local governments, the Harford County Council set our income tax rate at 3.06%. The State Comptroller's Office administers and collects the tax and distributes the receipts to the counties and municipalities. We receive approximately 90% of income tax in quarterly distributions of the withholdings and estimated payments. We estimate the FY 15 actual amount to be \$195,305,481, a decrease of \$3,424,169 over the FY 15 budgeted amount. FY 16 is expected to grow to \$203,407,621 approximately 2.35% over FY 15 budgeted amount of \$198,729,650.

<b>RECORDATION TAX</b>	8,133,078	8,100,000	(33,078)
------------------------	-----------	-----------	----------

In FY 15, the capital project fund transferred \$1,033,078 of accumulated recordation tax and \$7,100,000 of current year recordation tax to the General Fund for school debt. In FY 16, we are anticipating to transfer \$1,000,000 of accumulated recordation tax and \$7,100,000 of new recordation tax.

<b>TRANSFER TAX</b>	6,127,414	8,500,000	2,372,586
---------------------	-----------	-----------	-----------

In FY 15, the funding consisted of \$527,414 of accumulated transfer tax and \$5,600,000 of current transfer tax. In FY 16 we are anticipating to transfer \$2,100,000 of accumulated transfer tax and \$6,400,000 of new transfer tax to the General Fund to pay school debt.

<b>FUND BALANCE APPROPRIATED</b>	2,316,854	6,775,125	4,458,271
----------------------------------	-----------	-----------	-----------

Governmental funds report the difference between their assets and liabilities as fund balance. In FY 15, we appropriated \$2,1316,854 of assigned fund balance. In FY 16 we have appropriated \$3,000,000 of assigned fund balance for Waste to Energy, \$259,653 of unassigned fund balance, and \$3,515,462 of restricted fund balance.

<b>ALL "OTHER" REVENUES COMBINED</b>	23,166,976	23,416,927	249,951
--------------------------------------	------------	------------	---------

These include: Licences and Permit sales, State Shared Revenues, Interest Income, etc. All "Other" revenues combined increase slightly over FY 15 by \$249,951.

## GENERAL FUND EXPENDITURES

	APPROVED BUDGET FY 15	APPROVED BUDGET FY 16	CHANGE FY 16 VS. FY 15
<b><u>GENERAL FUND SUMMARY BY DEPARTMENT:</u></b>			
COUNTY EXECUTIVE	2,034,360	635,085	(1,399,275)
ADMINISTRATION	7,406,130	6,695,869	(710,261)
PROCUREMENT	4,424,077	4,516,987	92,910
TREASURY	3,423,593	3,231,148	(192,445)
LAW	2,072,286	2,166,482	94,196
PLANNING AND ZONING	3,617,376	3,497,814	(119,562)
HUMAN RESOURCES	2,714,487	1,798,888	(915,599)
COMMUNITY SERVICES	7,944,388	4,572,507	(3,371,881)
HANDICAPPED CARE CENTERS	2,298,730	2,438,730	140,000
HEALTH	3,628,318	3,628,318	0
OFFICE OF GOV'T & COMMUNITY RELATIONS	0	579,256	579,256
HOUSING AGENCY	512,075	1,276,347	764,272
INFORMATION & COMMUNICATION TECHNOLOGY	6,483,996	6,802,677	318,681
SHERIFF'S OFFICE	69,145,482	70,889,678	1,744,196
EMERGENCY SERVICES	19,981,651	20,074,347	92,696
INSPECTIONS, LICENSES AND PERMITS	3,599,596	2,756,352	(843,244)
PUBLIC WORKS	2,583,890	3,607,151	1,023,261
COUNTY COUNCIL	2,827,676	2,852,778	25,102
JUDICIAL	2,979,093	3,050,216	71,123
STATE'S ATTORNEY	5,734,392	5,804,436	70,044
ELECTIONS	2,081,239	2,327,175	245,936
BOARD OF EDUCATION	223,667,302	228,208,971	4,541,669
HARFORD COMMUNITY COLLEGE	14,961,612	15,261,612	300,000
MARYLAND SCHOOL FOR THE BLIND	80,000	80,000	0
LIBRARIES	16,137,189	16,279,546	142,357
PARKS AND RECREATION	9,783,470	8,916,552	(866,918)
CONSERVATION OF NATURAL RESOURCES	644,692	686,897	42,205
ECONOMIC DEVELOPMENT	2,557,056	6,593,889	4,036,833
DEBT SERVICE	48,714,947	52,427,719	3,712,772
BENEFITS	5,740,468	7,014,847	1,274,379
MISCELLANEOUS	10,607,253	13,832,321	3,225,068
RESERVE FOR CONTINGENCIES	100,000	100,000	0
<b>TOTALS:</b>	<b>488,486,824</b>	<b>502,604,595</b>	<b>14,117,771</b>

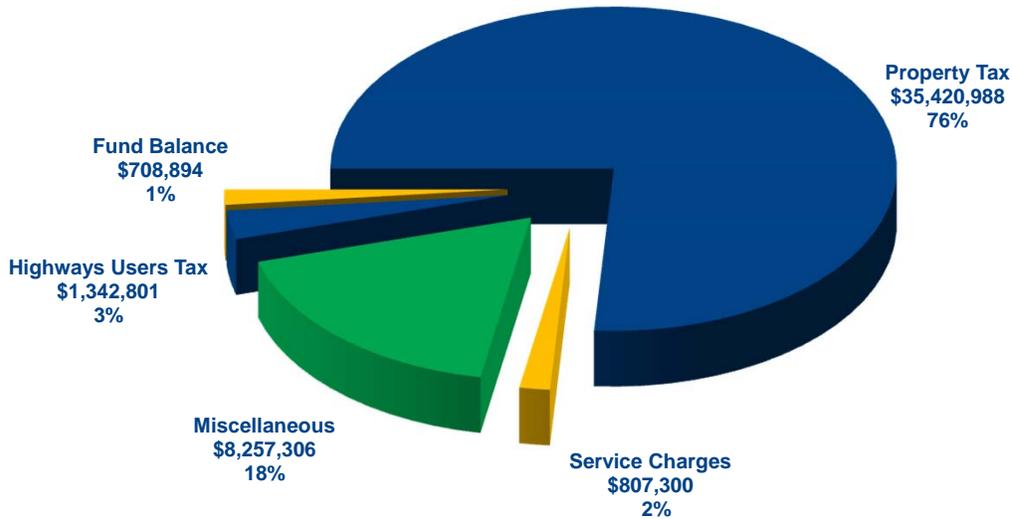
### **EXPLANATION OF SIGNIFICANT CHANGES:**

The General Fund realizes a increase of \$14,117,771 over FY 15.

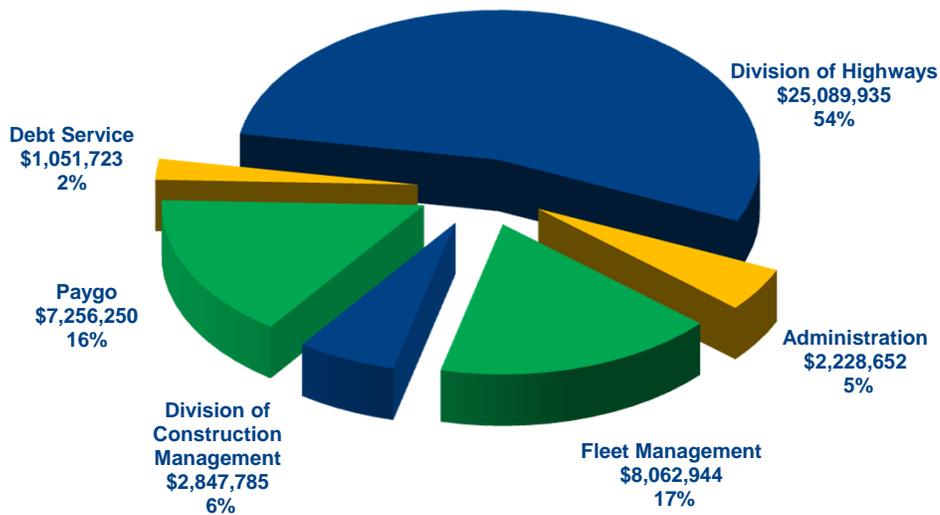
- o Many departments have been adjusted due to reorganization of County functions and improving efficiencies within County government
- o Includes merit salary increase @ \$959,565 for General Government employees to include the Sheriff's Office, State's Attorney and Circuit Court
- o Increase in funding for the Libraries provides for a merit salary increase @ \$142,357
- o Debt Service adjusted for principal and interest payments on outstanding debt @ \$3,722,772
- o Inclusion of Stormwater Management Operating Budget @ \$1,211,903 due to the repeal of the Stormwater Fee
- o Benefits increase \$1,274,379 for Retirees Insurance, Reinsurance Fee and Pension underfunding obligations
- o Miscellaneous increases \$3,225,068 for Paygo funding in support of the FY 16 Approved Capital Budget
- o Increase funding for Board of Education @ \$4,541,669 - merit salary increase \$3,100,000; \$1,327,669 for additional teacher pension obligation and \$114,000 for an increase in per vehicle allotment (PVA) for 15 contracted buses for a replacement contingency

**Fiscal Year 2015 - 2016  
HIGHWAYS FUND**

**REVENUES  
TOTAL APPROVED BUDGET \$46,537,289**



**APPROPRIATIONS  
TOTAL APPROVED BUDGET \$46,537,289**

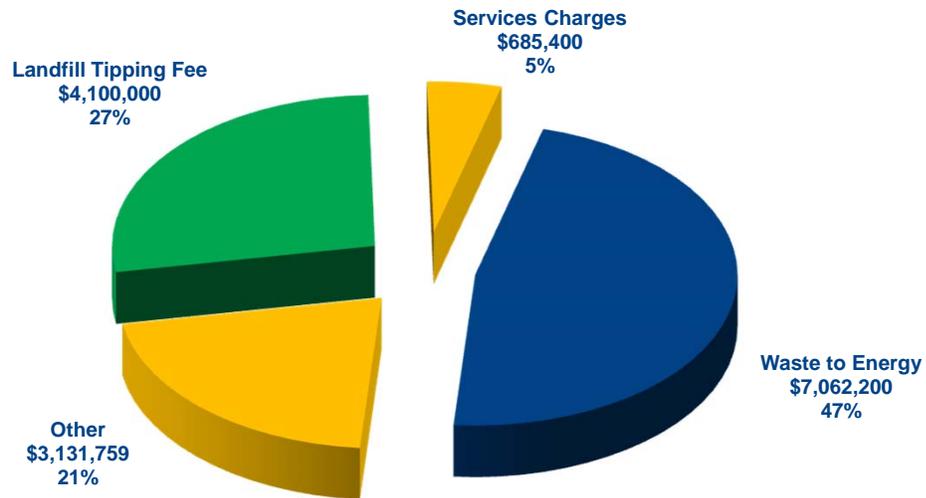


FY 15 APPROVED	FY 16 APPROVED	CHANGE
\$45,590,070	\$46,537,289	\$947,219

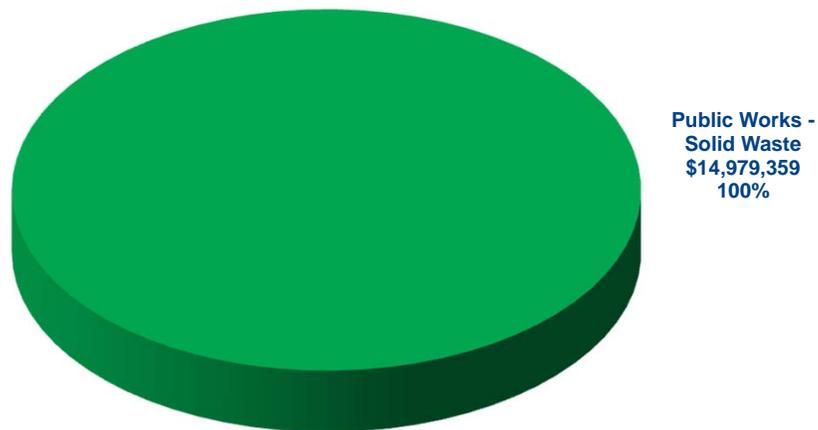
Personal Services decrease (\$613,806) due to staff turnover, net of six (6) less positions and a reduction in overtime funds, offset by \$210,801 for a Merit Salary increase; Contractual Services increase \$371,045 for Internet Access Road Sensors, retiree's Insurance, and curb and road repairs; Supplies and Materials increase \$60,750 for liquid bituminous, and concrete; Business and Travel costs increase \$393,262 for vehicle maintenance based on actual expense history; Debt Service increases \$362,897; Paygo funds in support of the FY 16 Approved Highways Capital Budget increase \$256,250, Pro Rata charges provided to the General Fund increase \$218,771 and the reimbursement for the Traffic Safety Unit of the Sheriff's Office decreased (\$101,950).

**Fiscal Year 2015 - 2016  
SOLID WASTE SERVICES**

**REVENUES  
TOTAL APPROVED BUDGET \$14,979,359**



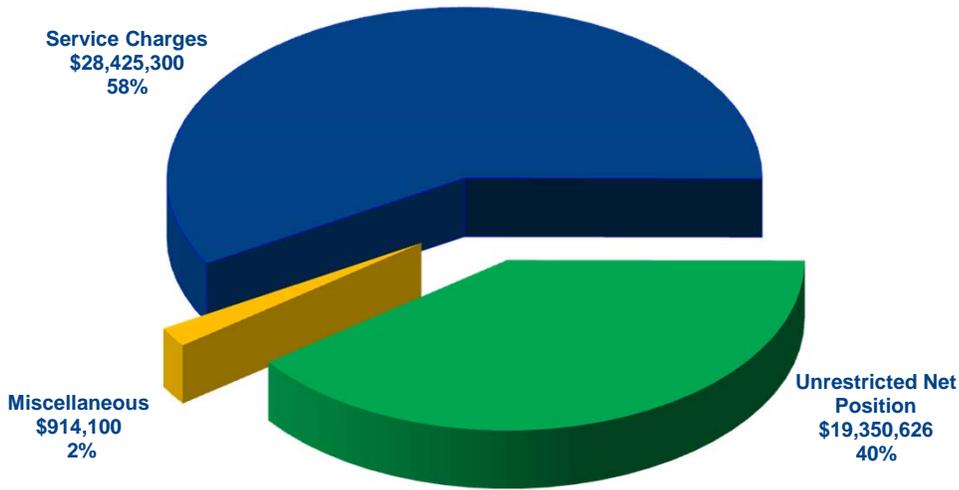
**APPROPRIATIONS  
TOTAL APPROVED BUDGET \$14,979,359**



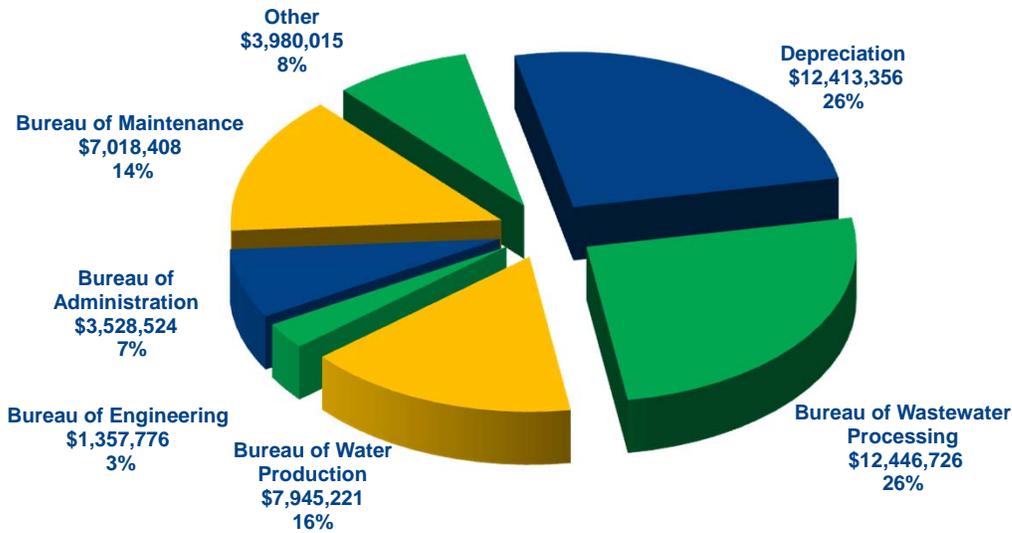
FY 15 APPROVED	\$14,161,806	FY 16 APPROVED	\$14,979,359	CHANGE	\$817,553
----------------	--------------	----------------	--------------	--------	-----------

The Solid Waste Services account records direct revenues and expenses pertaining to the County's management of the disposal of solid waste. The County's Environmental Services Division of the Department of Public Works manages the Harford Waste Disposal Center (HWDC), also known as Scarboro Landfill. For FY 16, Solid Waste Services increases \$817,553 as a result of: Personal Services decrease (\$120,268) due to the abolishment of (9.00) full-time and (1.20) part-time positions, offset by staff turnover and \$32,489 for a Merit Salary increase; Contractual Services increase for a net result of (\$1,638,898) for the Waste to Energy contract and \$2,711,350 for payments to Baltimore County for the Transfer Station; Supplies and Materials decrease (\$22,200) and Business and Travel (\$20,450) both based on actual expense history.

**Fiscal Year 2015 - 2016**  
**WATER & SEWER OPERATING FUND**  
**REVENUES**  
**TOTAL APPROVED BUDGET \$48,690,026**



**APPROPRIATIONS**  
**TOTAL APPROVED BUDGET \$48,690,026**

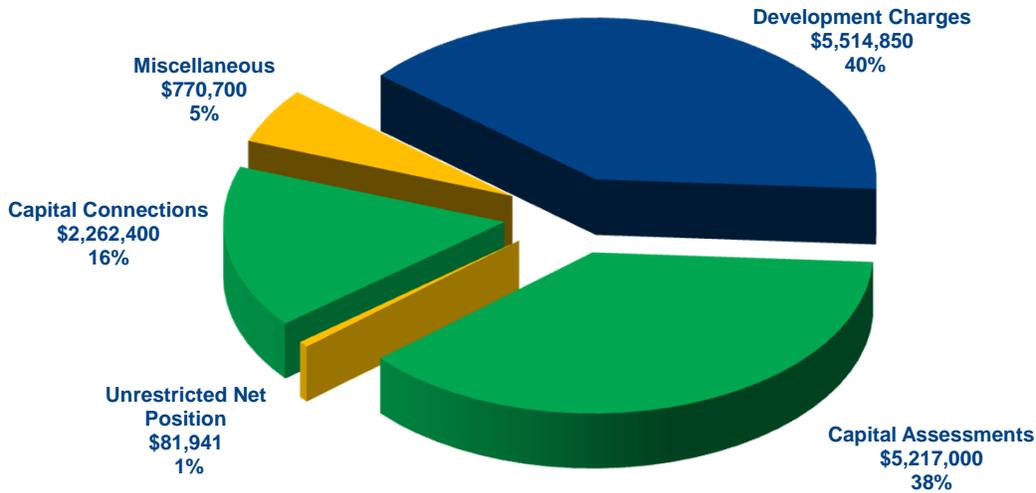


FY 15 APPROVED	\$50,783,936	FY 16 APPROVED	\$48,690,026	CHANGE	(\$2,093,910)
----------------	--------------	----------------	--------------	--------	---------------

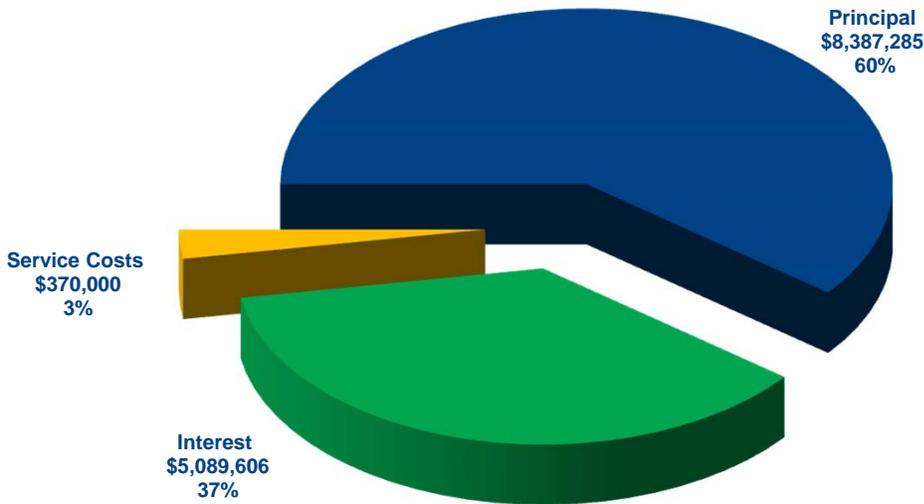
The Water & Sewer Operating Fund was established as a self-sustaining utility to account for water and sewer services provided by Harford County Government. Water & Sewer appropriations are approved at (\$2,093,910) less than the FY 15 budget as a result of the following: Personal Services increase is the net result of staff turnover and three (3) less positions, offset by an increase for salary adjustments and of \$184,787 for a Merit Salary increase; Contractual Services increase \$399,872 mainly due to electricity costs and purchase of raw water from Baltimore City; Materials and Supplies increase \$44,719 for chemicals and Business and Travel costs decrease (\$9,900) based on actual expense history; funds for normal equipment replacement decrease (\$258,650); Paygo funds to support the FY 16 Approved Capital Budget decrease (\$4,263,750); Depreciation increase of \$1,589,356 and Pro Rata charges provided to the General Fund increase \$228,351.

**Fiscal Year 2015 - 2016  
WATER & SEWER DEBT SERVICE**

**REVENUES  
TOTAL APPROVED BUDGET \$13,846,891**



**APPROPRIATIONS  
TOTAL APPROVED BUDGET \$13,846,891**




---

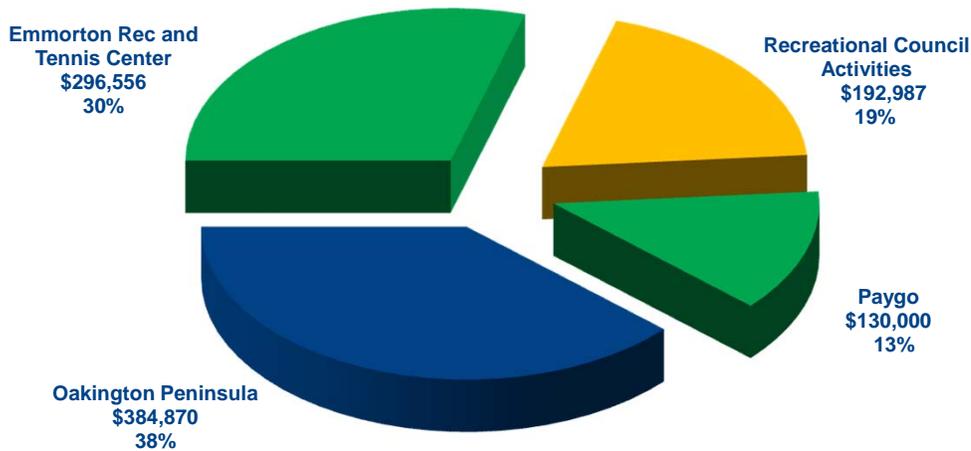
<b>FY 15 APPROVED</b>	<b>\$14,068,304</b>	<b>FY 16 APPROVED</b>	<b>\$13,846,891</b>	<b>CHANGE</b>	<b>(\$221,413)</b>
-----------------------	---------------------	-----------------------	---------------------	---------------	--------------------

The Water & Sewer Debt Service Fund provides appropriation authority for the payment of principal and interest on long-term water and sewer bonds and loans used to finance the capital projects of the County-owned water & sewer system. The decrease in funding for FY 16 is a result of the principal and interest payments adjusted to amounts due on outstanding debt.

**Fiscal Year 2015 - 2016  
PARKS AND RECREATION  
SPECIAL REVENUES  
TOTAL APPROVED BUDGET \$1,004,413**



**APPROPRIATIONS  
TOTAL APPROVED BUDGET \$1,004,413**



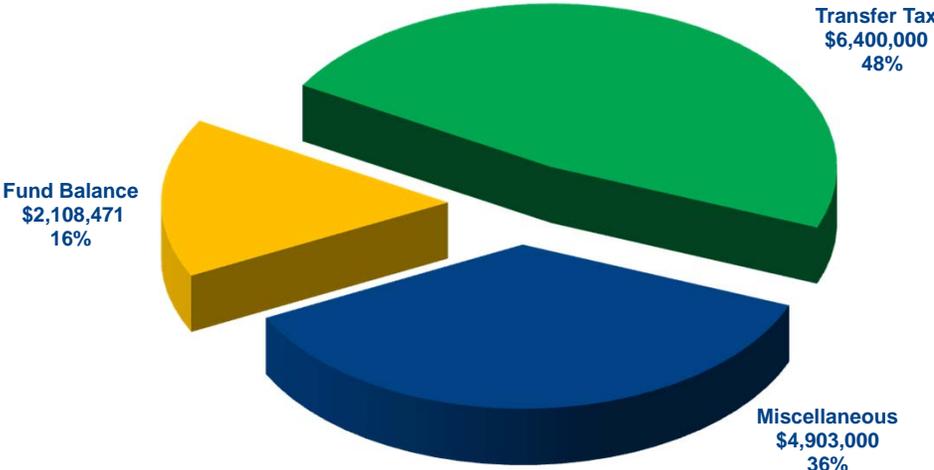

---

FY 15 APPROVED	FY 16 APPROVED	CHANGE
\$1,108,823	\$1,004,413	(\$104,410)

In FY 16, operating expenses for the Parks and Recreation Special Revenue Fund realize a decrease of (\$104,410). Pro Rata Shares for reimbursement of General Fund administrative support is budgeted at \$63,360, a slight increase of \$4,032. A reduction for FY 15 one-time expenditure to furnish and renovate a fitness room at the Emmorton Recreation and Tennis Center (\$35,000) as well as adjustments to various Contractual Services, Materials/Supplies and equipment to reflect actual expense history along with revenue projections (\$54,300). Funding is appropriated at \$130,000 in the FY 16 Approved Capital Budget for pier renovations at Swan Harbor Farm.

**Fiscal Year 2015 - 2016  
COUNTY - AG PRESERVATION**

**REVENUES  
TOTAL APPROVED BUDGET \$13,411,471**



**APPROPRIATIONS  
TOTAL APPROVED BUDGET \$13,411,471**

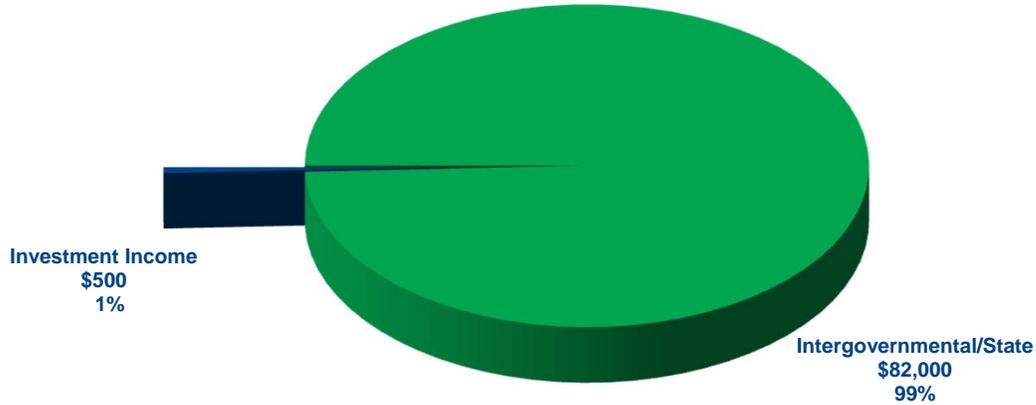


<b>FY 15 APPROVED</b>	<b>\$10,850,100</b>	<b>FY 16 APPROVED</b>	<b>\$13,411,471</b>	<b>CHANGE</b>	<b>\$2,561,371</b>
-----------------------	---------------------	-----------------------	---------------------	---------------	--------------------

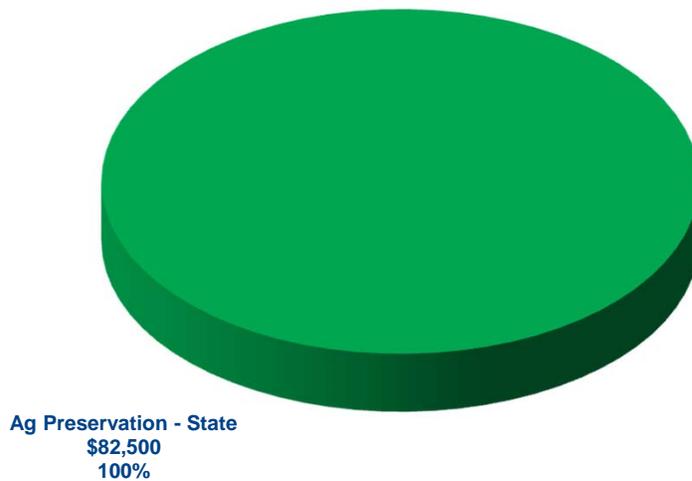
Harford County is committed to Agricultural Land Preservation. An allocation of \$2,995,650 is provided for purchase of Ag Preservation intangibles in addition to \$300,000 for land purchases made under the State Program. Increase is primarily the result of principal and interest payments on installment contracts for agricultural easements.

**Fiscal Year 2015 - 2016  
STATE - AG PRESERVATION**

**REVENUES  
TOTAL APPROVED BUDGET \$82,500**



**APPROPRIATIONS  
TOTAL APPROVED BUDGET \$82,500**

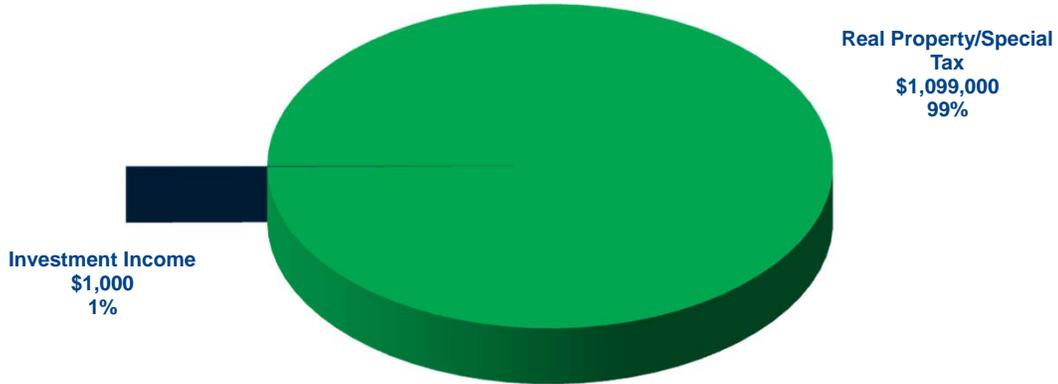


FY 15 APPROVED	\$50,000	FY 16 APPROVED	\$82,500	CHANGE	\$32,500
----------------	----------	----------------	----------	--------	----------

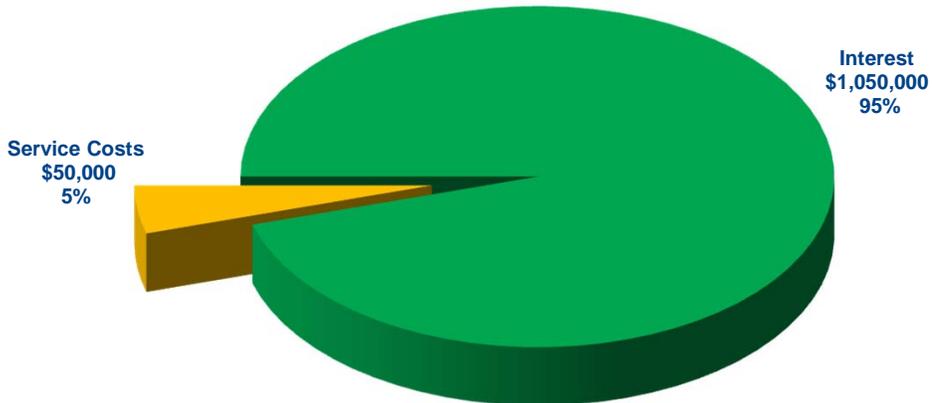
Harford County's Agricultural Program is Certified. Therefore, the Program can retain 75% of the Agricultural Transfer Tax collected. For FY 16, it is projected that the County's share of the State Agricultural Tax will be \$82,000.

The County will use \$30,000 of this revenue to offset the salary and benefits of a Planner III, who serves as Harford County's Program Administrator. Harford County's match to MALPF for easement purchases the foundation makes on the County's behalf will be \$52,500.

**Fiscal Year 2015 - 2016  
TAX INCREMENT FINANCING  
REVENUES  
TOTAL APPROVED BUDGET \$1,100,000**



**APPROPRIATIONS  
TOTAL APPROVED BUDGET \$1,100,000**

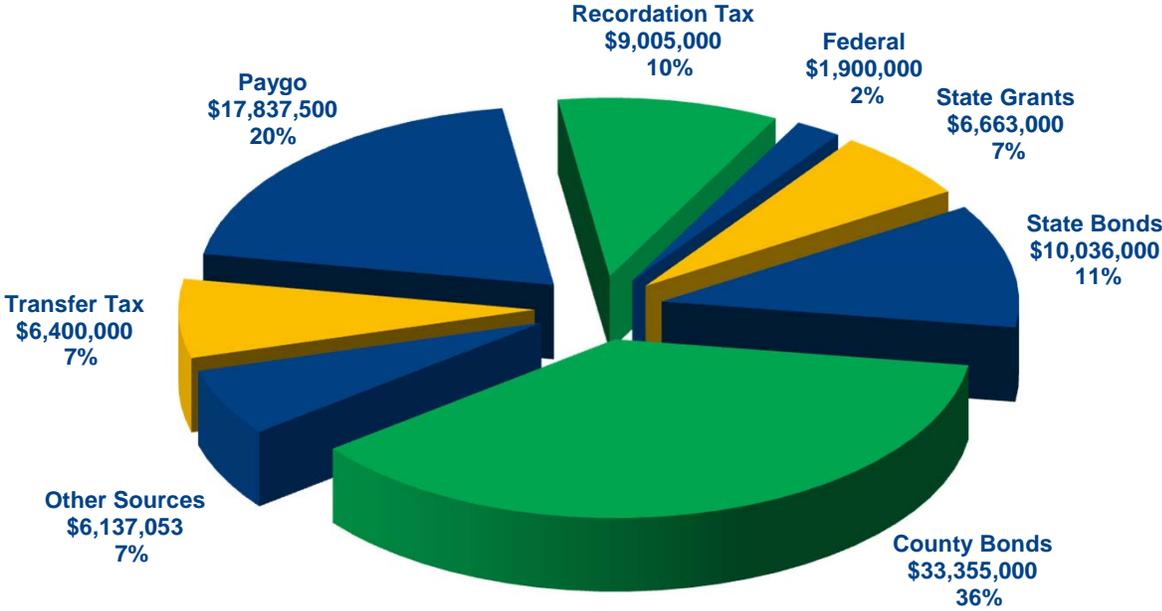


FY 15 APPROVED	\$1,100,000	FY 16 APPROVED	\$1,100,000	CHANGE	\$0
----------------	-------------	----------------	-------------	--------	-----

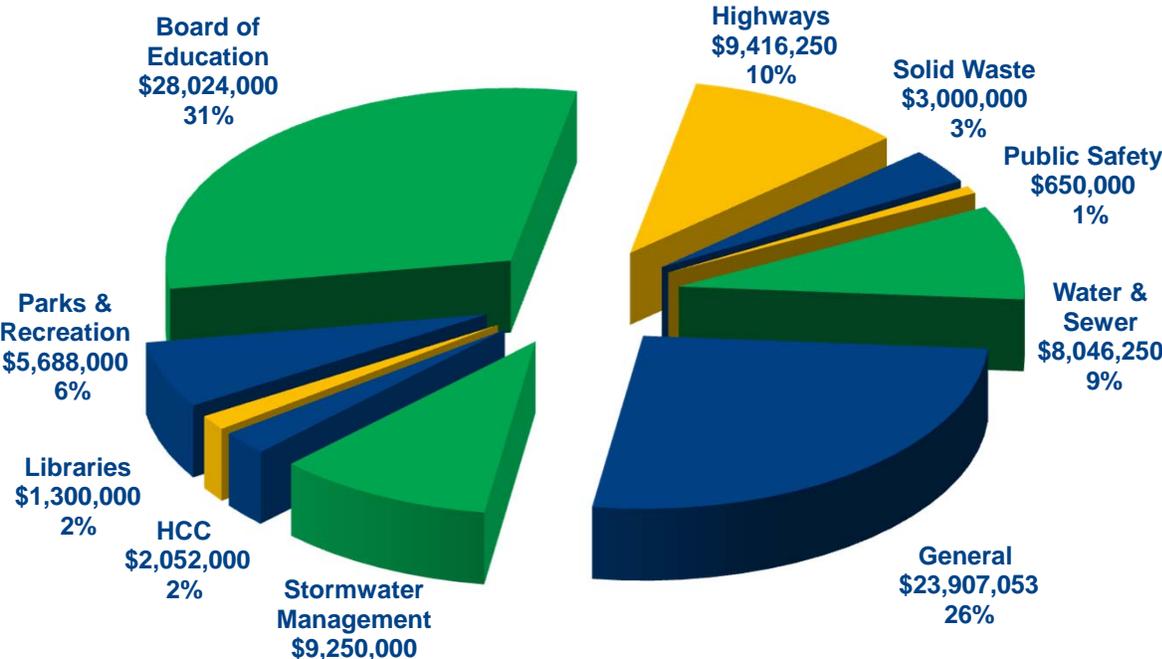
The Beechcreek Estates Tax Increment Fund is a special fund authorized by Bill 10-10. The Bill provided that the County could not issue more than \$14,000,000 for Beechcreek Estates in special obligation bonds to finance or reimburse the cost of the public improvements benefitting the district. The Bill also pledged the real property taxes collected with respect to the tax increment of properties in the district to payment of the bonds to be issued and also authorizes the imposition of a special tax on properties within the district to the extent the tax increment received is insufficient to pay debt service on the bonds and other allowable costs and expenses. The bonds are not an indebtedness of the County for which the County is obligated to levy or pledge, or had levied or pledged, ad valorem taxes or special taxes of the County other than the real property taxes representing the levy of the tax increment on properties located in the Development district or the Special Taxes. The bonds shall be a special obligation of the County and will not constitute a general obligation debt of the County or a pledge of the County's full faith and credit or taxing power.

# FISCAL YEAR 2015-2016 APPROVED CAPITAL BUDGET

## REVENUES TOTAL BUDGET \$91,333,553



## APPROPRIATIONS TOTAL BUDGET \$91,333,553



**FISCAL YEAR 2015 - FY 2016  
CAPITAL BUDGET PROGRAM**

The following is a list of highlighted projects within the FY 16 Approved Capital Budget:

<u>GENERAL</u>		<u>PARKS AND RECREATION</u>	
Board of Education Debt Service 16	16,600,000	Canoe and Kayak Water Access	200,000
Facilities Repair Program	7,682,053	Emily Bayliss Graham Park	425,000
Fleet Replacement	1,500,000	Emmorton Rec and Tennis Center Improvements	275,000
Fuel Dispensing System Upgrade	560,000	Heavenly Waters Park	300,000
Harford County Agriculture Center	300,000	Parkland Acquisition	1,950,000
Harford County Metro Area Network (HMAN)	4,000,000	Swan Harbor Farm Improvements	239,000
Safeguarding Business Operations	2,000,000		
Site Acquisition	3,000,000		
 <u>BOARD OF EDUCATION</u>		 <u>HIGHWAYS</u>	
Center for Educational Opportunity HVAC	4,625,000	<u>BRIDGES:</u>	
Churchville Elementary School Roof	825,000	Abingdon Road Bridge #169 over CSX	300,000
North Harford MS Domestic Water Improve.	500,000	Bridge Rehabilitation	200,000
Prospect Mill Elementary School HVAC	4,685,000	Glenville Road Bridge #30	250,000
Youth's Benefit Elementary School Replacement	17,139,000	Watervale Road Bridge #63	775,000
 <u>PUBLIC SAFETY</u>		<u>ROADS:</u>	
Public Safety Communication in School Buildings	100,000	Guardrails	100,000
VFC Facility Repair	600,000	Stormdrain Replacement	100,000
 <u>HARFORD COMMUNITY COLLEGE</u>		<u>RESURFACING:</u>	
Nursing and Allied Health Building	1,012,000	Resurfacing Roadways	5,292,842
 <u>SOLID WASTE</u>		<u>OTHER:</u>	
Waste-to-Energy Facility Closure	3,000,000	APG Gate Pilot	590,000
		Fleet Replacement	1,800,000
		Safeguarding Business Operations	556,250
 <u>STORMWATER MANAGEMENT</u>		 <u>WATER</u>	
County Owned Watershed Rest. Improve.	2,400,000	Fleet Replacement	400,000
Joppatowne Area Watershed Restoration	1,200,000	Magnolia Booster Station	1,250,000
Plumtree Run Watershed Restoration	1,250,000	Safeguarding Business Operations	556,250
Sunnyview Stream Restoration	600,000	Tank Painting	700,000
Watershed Restoration Assessment	1,500,000	US 40 and Rt. 159 SHA Water Relocation	2,600,000
Watershed Restoration Improvements	400,000		
Wheel Creek Watershed Restoration	1,000,000	 <u>SEWER</u>	
		Bush Creek Pump Station	1,000,000
		Bynum Run Parallel 6&7	450,000
		Sod Run Facility Improvements	700,000

**NOTE: Includes both County Funding and support from other sources such as State, Federal, etc.**



## COUNTY EXECUTIVE

Barry Glassman

## COUNTY COUNCIL

Richard C. Slutzky - Council President

Mike Perrone, Jr. - District A

Chad Shrodes - District D

Joseph M. Woods - District B

Patrick S. Vincenti - District E

James "Capt'n Jim" McMahan - District C

Curtis L. Beulah - District F

## DIRECTOR OF ADMINISTRATION

Billy Boniface

## CHIEF, BUDGET & MANAGEMENT RESEARCH

Kimberly Spence

## TREASURER

Robert Sandlass

## SENIOR BUDGET ANALYST

S. Renee Kelley

Wanda J. Butrim

William T. Watson, III

Christen Callon

## GRANTS ADMINISTRATOR

Brenda Peisinger