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Budget in Brief





BARRY GLASSMAN

HARFORD COUNTY EXECUTIVE

This is my final budget as county executive and it marks the culmination of seven years of innovation and efficiency, resulting the most significant economic progress in Harford's history. I liken it to hitting a trifecta – we have fully funded education and public safety and we cut taxes.

Even with the remnants of the pandemic, we have achieved sustained economic growth in jobs, income and investment.

This achievement includes borrowing at record-low interest rates, earning 24 AAA bond ratings, and fully funding education and public safety while restoring our fund balance to \$23 million and maintaining our 5% rainy day fund.

Despite the current pressures of inflation and energy costs, with this budget we will also help our deputies, first responders, teachers, and county employees keep pace by providing in most cases a 7% cost of living increase and a Step, and in other agencies a 7% COLA and a 3% merit increase.

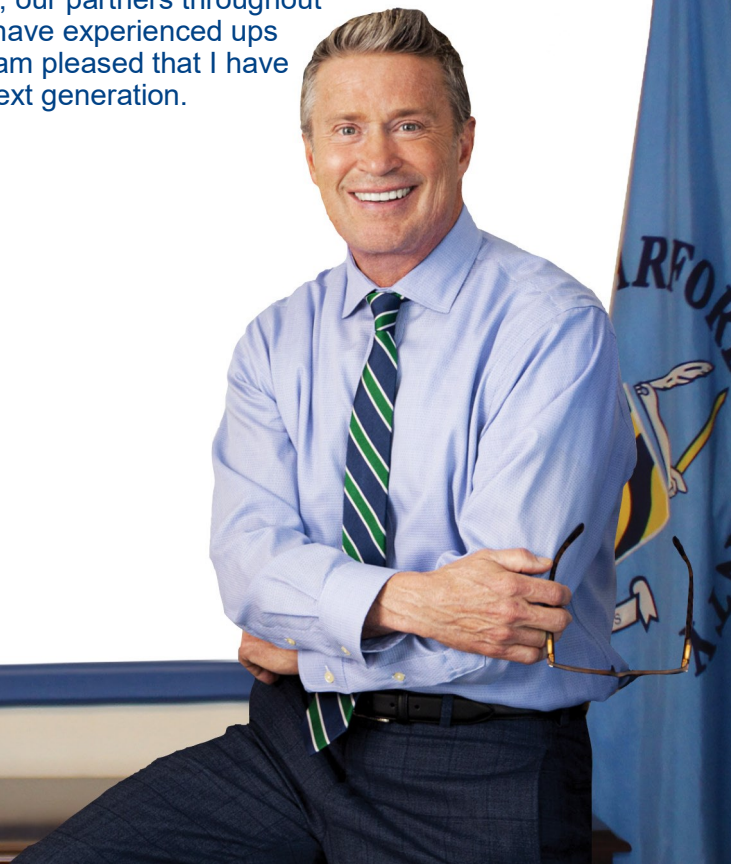
This historic FY 23 budget represents Harford County's most significant investment in education and public safety ever. I have fully funded the Board of Education's request again this year and we are \$33.2 million above the Maintenance of Effort.

I am equally proud to say that we have managed our local government wisely, stabilized our debt, and grown our economy to the extent that I can also provide the largest tax cut in Harford's history to our local citizens – a full five cent reduction to the property tax rate for a total of \$43 million of tax relief during my term.

In closing, I want to thank my budget staff, county employees, our partners throughout the County, and our citizens. Over the past seven years we have experienced ups and downs, but we have always remained Harford Strong. I am pleased that I have positioned the County to prosper well into the future for our next generation.

Thanks and God Bless.

A blue ink signature of Barry Glassman.



FY 23 BUDGET HIGHLIGHTS

Total Budget All Funds: \$1,221,068,315

General Fund Operating Budget: \$752,570,000

Capital Budget: \$277,423,315

Restoring Balance & Efficiency

- Largest property tax cut in Harford's history
- Conservative budgeting while keeping a resilient local economy safely open
- Fully funding of HCPS' operating budget request
- Record level funding for public safety
- County government efficiencies continue to help fund other operations
- AAA bond ratings brings lowest borrowing costs in county history; highest possible rating maintained due to strong management and realistic CIP
- **FY 16 – FY 23 constituent savings: \$145,536,154**

Reinvesting in our Workforce

- 3% merit-based increase plus 7% COLA per qualifying county employee
- Equivalent increases for State's Attorney's Office and Circuit court employees
- Full funding for Sheriff's requested wage enhancements for law enforcement, corrections and civilian personnel – 7% and step
- Fully funded agency requests for salary increases

Investing in Education

Record level funding:

- **Full funding for Harford County Public Schools**
 - ◇ \$324,237,657 in FY 23 operating funds; total increase of \$30.4 million over FY 22; exceeds the required Maintenance of Effort and first Kirwan requirement
- **FY 16 – FY 23: \$100,630,355 in County funding vs. \$46,159,473 State funding**
- **10% increase for Harford Community College**
- **11% increase for Harford County Public Libraries**

Strengthening Communities

- **\$2.4 million for preventing and treating opioid addiction and behavioral health services**
 - ◇ \$1,750,000 to support the 24 hour Klein Family Harford Crisis Center for Mental Health and Addiction
 - ◇ \$614,000 to support treatment, peer recovery staff and youth mental health through Addictions Connections Resource

Support for Community Organizations

- Harford County Humane Society – *includes retention bonus*
- Harford Center
- The Arc Northern Chesapeake
- \$1 million – African American Heritage Preservation
- \$1 million – Ripken Baseball Experience HQ
- \$500k – Discovery Center at Water's Edge
- \$500k – Havre de Grace Auditorium roof
- \$500k – Harmer's Town Art Center in Havre de Grace
- \$300k – Historical Society facility renovations for the 250th anniversary of Harford County

Supporting our First Responders

Historic-level funding for our first responders:

- **\$8,911,423 – Volunteer Fire Companies;** representing an 8.5% increase over FY 2022 for each company plus \$250k for staffing incentives program; \$11k for recruitment and retention, and continued funding for NEXT-GEN student loan relief.
- **\$6,497,069 – Harford County Volunteer Fire and EMS Foundation;** represents a \$1,000,000 increase or 18% over FY 22; includes pay equity with County providers

Law Enforcement Investments

- Fully implemented Body Worn Camera Program; added 3 new personnel in FY 22 to support the program
- Funded major renovations of the HCSO Central Precinct; added 15 new deputy recruit positions for staffing
- Added 6 new deputy recruit positions to support SRT and CID

- Added 2 positions to support the new police accountability act: 1 deputy recruit and 1 victim rights advocate
- Added 1 video forensic analyst position
- Added 18 new correction officer recruits to support the Medical Wing and the Substance Abuse/Behavioral Health Wing
- Funded 4 capital projects for the Sheriff's office including major renovations to the detention center, in-car camera systems, a cell site simulator, and police fleet

Broadband: \$37 million to extend broadband to unserved and underserved rural communities

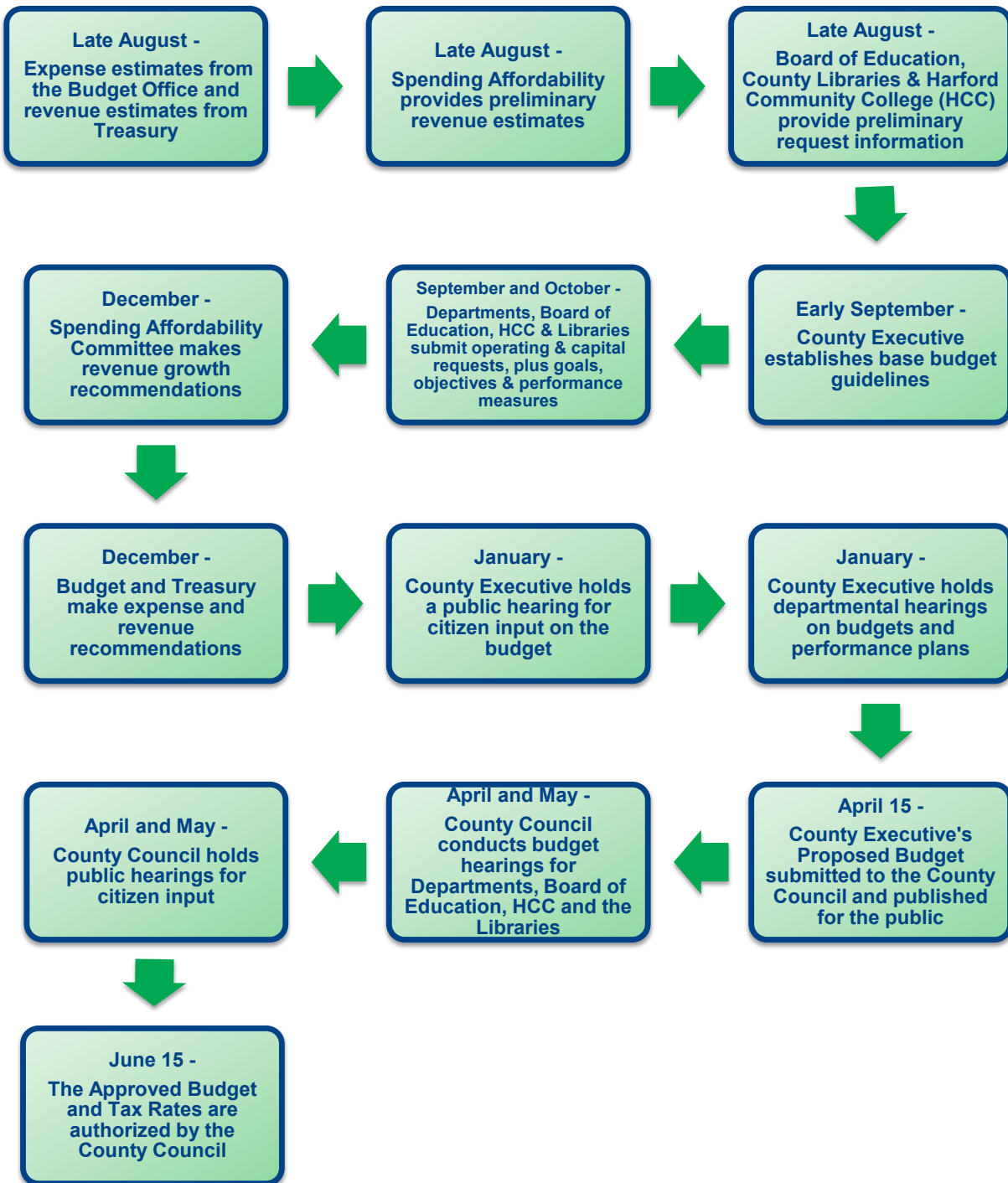
Capital Project Highlights

- **HCPS: 18 projects @ \$85.8 million**
 - ◇ Construction for replacement of Homestead Wakefield ES
 - ◇ Harford Technical HS limited renovation
 - ◇ Roof replacement for Bakerfield ES
 - ◇ Chiller replacement for Meadowvale and Bakerfield ES
 - ◇ HVAC upgrades at Swan Creek School
 - ◇ Special education facility improvements
 - ◇ Record level single increase for technology
 - ◇ 29 special education buses
- **Public Safety: 7 projects @ \$12.4 million**
 - ◇ Fully funded volunteer fire company priority repairs and life safety equipment
 - ◇ Darlington Fire Company bunk room renovation
 - ◇ Construction of Riverside Fire and EMS station
 - ◇ Funds to support Next-Gen 911 technology and upgrade the mobile/portable radio system
 - ◇ Susquehanna Hose Company House 1 renovations
- **\$16.4 million – County road and bridge projects**
- **\$11.3 million – Watershed management projects**
- **\$1 million – Living shoreline in Havre de Grace**
- **\$15 million – Water & Sewer infrastructure reinvestments**
- **\$28.3 million – Harford Community College's Chesapeake Welcome Center**
- **\$4 million – Jarrettsville Recreation Complex construction**
- **\$500k – Design and engineering for the Joppatowne Youth/Senior Center**



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.

Watershed Management Fund

- The Watershed Management Fund is a special account for deposit of a certain portion of the recordation tax, \$0.55 for each \$500 of the sale price for each property deed recorded. To be used for watershed protection and restoration.

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	Percent
2021*	95,094	262,977		Under 5	5.6%
				5-17	16.7%
				18-64	61.5%
				Over 65	16.2%

*U.S. Census Bureau

Major Employers

Employer	Employment	% of Total County Employment
U.S. Army Aberdeen Proving Ground	21,000	22.8%
Harford County Public Schools	5,231	5.7%
UM Upper Chesapeake Medical Center	3,305	3.6%
US Army Research Lab (ARL)	2,000	2.2%
Harford County Government	1,541	1.7%
Klein's ShopRite of Maryland	1,200	1.3%
Kohl's E-Fulfillment Center	1,200	1.3%
Harford Community College	1,011	1.1%
Amazon Sorting Center MTN2	1,000	1.1%
RiteAid Mid-Atlantic Distribution Center	900	1.0%

Income

Distribution	Harford County	Maryland	U.S.
Under \$25,000	11.8%	13.1%	19.2%
\$25,000 - \$49,999	14.6%	16.0%	21.2%
\$50,000 - \$74,999	15.2%	15.5%	17.3%
\$75,000 - \$99,999	13.8%	13.2%	12.7%
\$100,000 - \$149,999	21.7%	19.0%	15.1%
\$150,000 - \$199,999	12.0%	10.5%	6.8%
\$200,000 and over	10.9%	12.7%	7.7%
Median Household Income	\$89,147	\$84,805	\$62,853
Avg. Household Income	\$108,305	\$111,417	\$88,607
Per Capita Income	\$34,103	\$42,122	\$34,103
Total Income (millions)	\$9,346	\$226,495	\$9,658,475

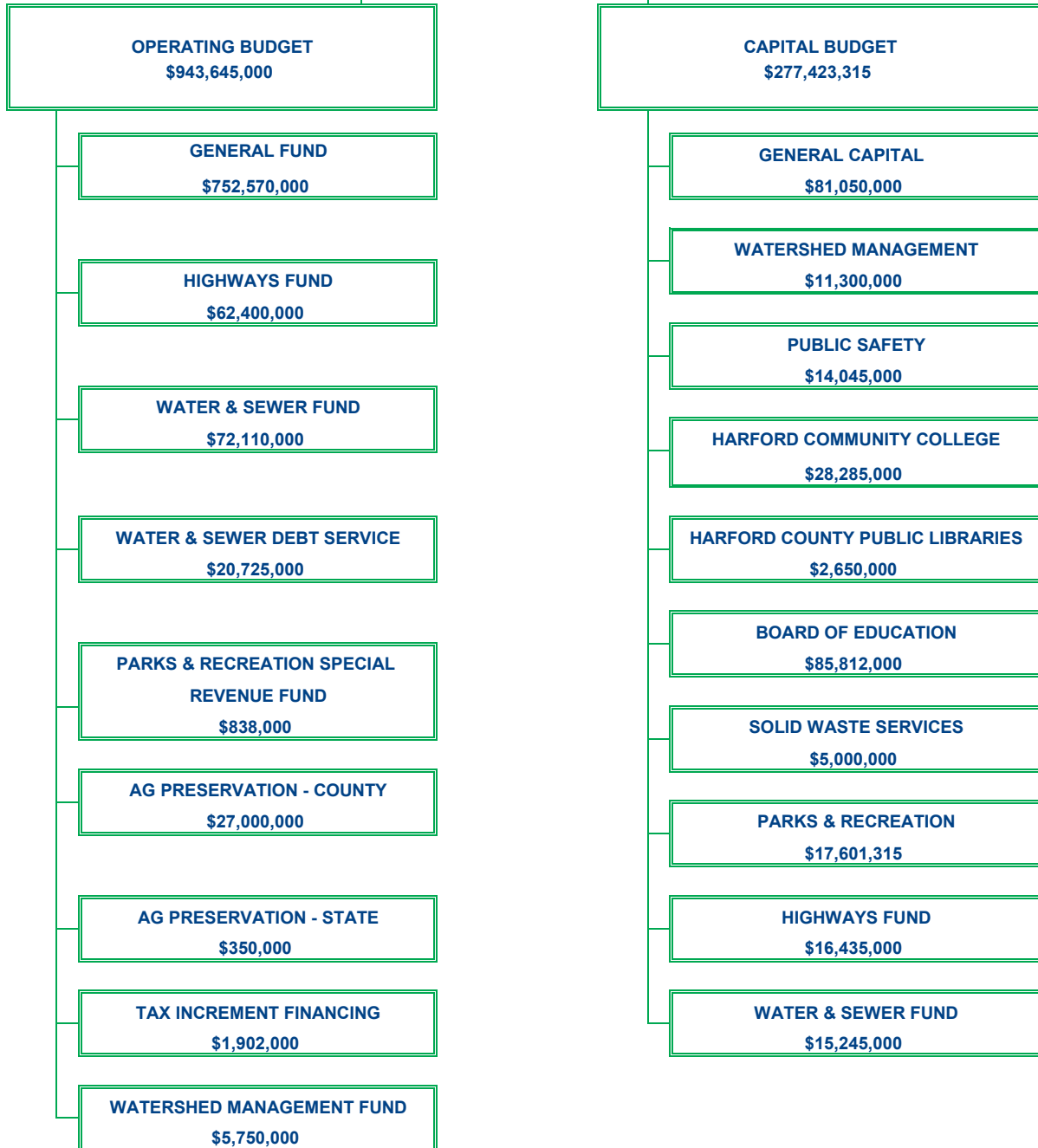
Tax Rates

	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 (2022)	0.9779	0.112
Business Personal Property Tax (2015)	\$2.1033	None
Major Tax Credits Available:		
<i>Enterprise Zone, Job Creation, R&D, Biotechnology and Cybersecurity Investment, A&E District</i>		

Harford County's Bond Rating

Harford County went to the bond market in February, 2022 for \$75,000,000 in Consolidated Public Improvement Bonds. The County received the highest rating possible from all of the three investor services, resulting in Fitch Ratings, Standard and Poor's and Moody's Investor Service ratings all at AAA.

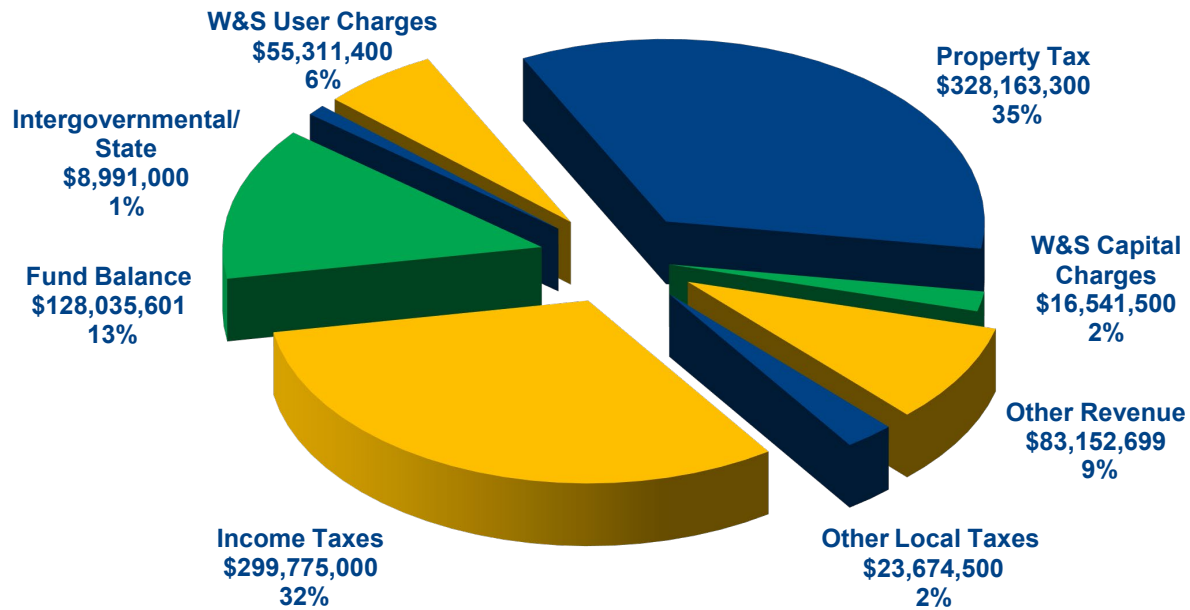
HARFORD COUNTY
TOTAL FY 23 APPROVED BUDGET ALL FUNDS
\$1,221,068,315



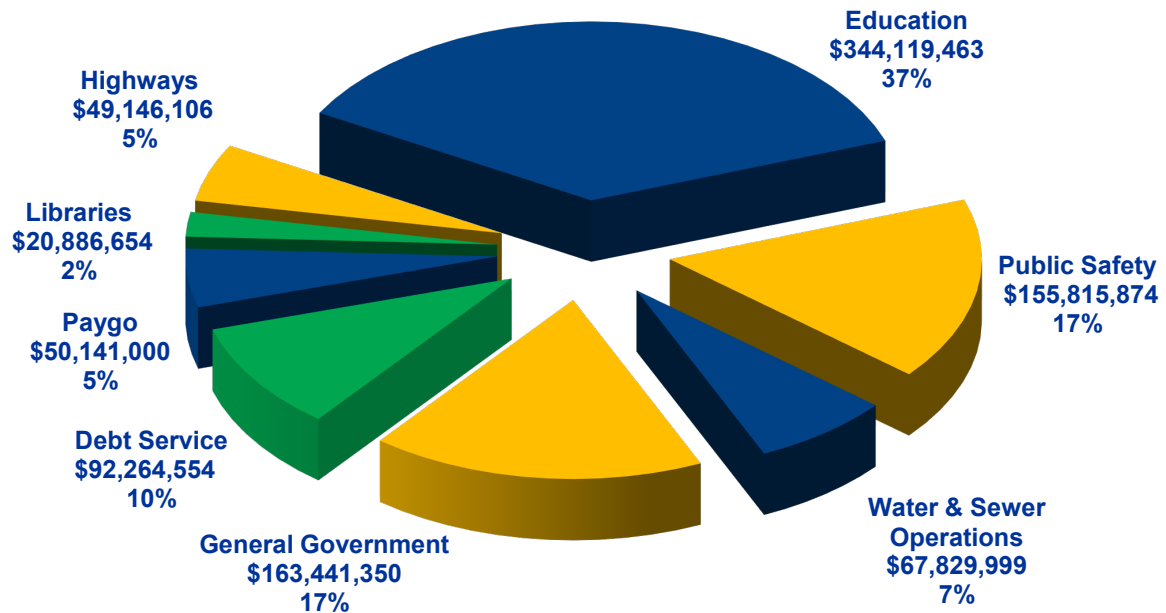
ALL FUNDS OPERATING BUDGETS

Fiscal Year 2022 - 2023

TOTAL APPROVED REVENUES \$943,645,000



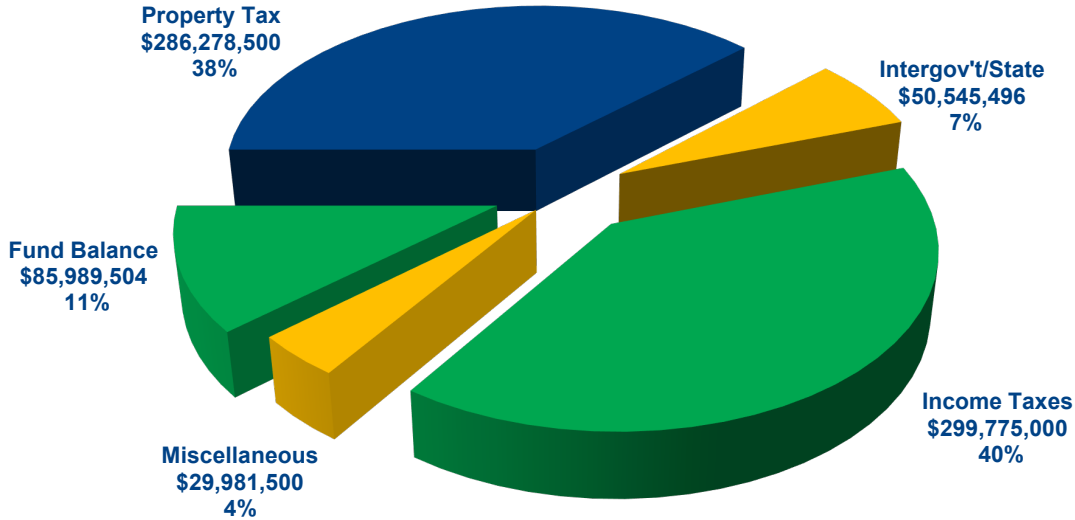
TOTAL APPROVED APPROPRIATIONS \$943,645,000



GENERAL FUND REVENUES

Fiscal Year 2022 - 2023

TOTAL APPROVED BUDGET \$752,570,000



FY 2023 APPROVED GENERAL FUND REVENUE BREAKDOWN

PROPERTY TAXES:		38%	286,278,500	INCOME TAX	40%	299,775,000
Real & Personal		291,665,000				
Deductions		(5,386,500)				
MISCELLANEOUS:		4%	29,981,500	INTERGOV'T/STATE:	7%	50,545,496
Investment Income		2,501,000		Intergovernmental		5,300,000
License & Permits		4,630,100		Intra-County		6,115,174
Other Taxes		6,060,000		Pro Rata		7,430,322
Service Charges		15,910,700		Recordation		17,700,000
Fines & Forfeitures		33,000		Transfer		14,000,000
Miscellaneous Revenues		846,700				
				FUND BALANCE	11%	85,989,504

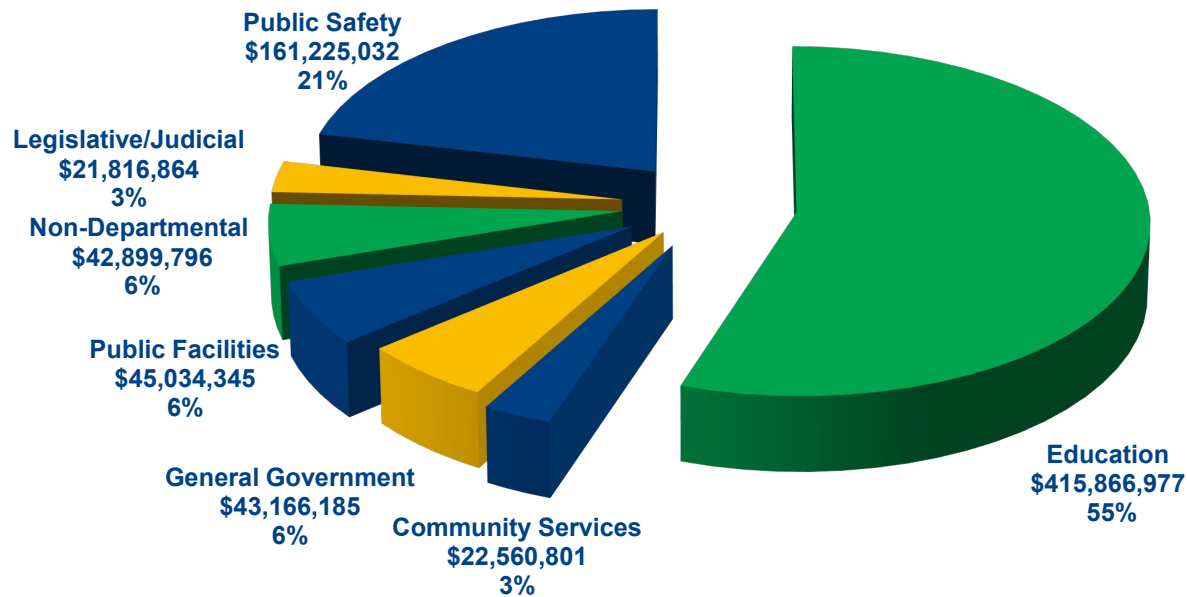
TOTAL GENERAL FUND REVENUES

752,570,000

GENERAL FUND APPROPRIATIONS

Fiscal Year 2022 - 2023

TOTAL APPROVED BUDGET \$752,570,000



FY 2023 APPROVED GENERAL FUND APPROPRIATION BREAKDOWN

GENERAL GOVERNMENT 5.7% 43,166,185

County Executive	953,309
Administration	10,375,763
Procurement	1,179,861
Treasury	4,603,205
Law	2,895,222
Human Resources	3,111,286
Office of Gov't & Comm. Rel.	1,519,487
Info. & Comm. Technology	13,627,811
Planning & Zoning	4,900,241

PUBLIC FACILITIES: 6.0% 45,034,345

Public Works	26,224,428
Natural Resources	986,612
Rural Legacy Program	50,000
Parks & Recreation	12,773,305
Solid Waste PAYGO	5,000,000

PUBLIC SAFETY: 21.4% 161,225,032

Sheriff	110,239,429
Emergency Services	20,989,210
Volunteer Fire Companies	8,911,423
EMS Foundation	6,497,069
Inspections, Licenses & Permits	4,207,901
Humane Society	1,175,000
PAYGO (Public Safety)	9,205,000

COMMUNITY SERVICES: 3.0% 22,560,801

Community Services	7,025,479
Health	4,018,168
Handicapped Centers	2,857,792
Community & Economic Dev.	8,659,362

EDUCATION: 55.3% 415,866,977

Public Schools: 49.4% 371,846,054

Board of Ed. Operating	324,237,657
Board of Ed. Debt Service	35,657,555
Board of Ed. PAYGO	8,155,000
HCSO School Safety Division	3,795,842

Harford Community College: 3.0% 22,684,269

HCC Operating	19,881,806
HCC Debt Service	2,802,463

Harford County Public Library: 2.8% 21,336,654

HCPL Operating	20,886,654
HCPL PAYGO	450,000

LEGISLATIVE/JUDICIAL: 2.9% 21,816,864

County Council	4,377,176
Judicial	4,889,894
State's Attorney	9,120,719
Elections	3,429,075

NON-DEPARTMENTAL: 5.7% 42,899,796

Insurance	779,184
Benefits	3,373,634
Contingency Reserve	100,000
Capital Improvements (General)	5,450,000
Grant Matches	5,150,000
Debt Service (General)	23,156,834
Appropriation to Towns	3,720,144
Appropriation to State	1,170,000

TOTAL GENERAL FUND APPROPRIATIONS

752,570,000

GENERAL FUND REVENUES

FY 22 APPROVED BUDGET	\$658,625,000	FY 23 APPROVED BUDGET	\$752,570,000	CHANGE	\$93,945,000
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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.

REVENUES

The majority (78%) of our projected General Fund Revenues come from Property Taxes and Income Taxes.

<u>PROPERTY TAXES</u>	FY 23 Approved	\$286,278,500	38%	of the General Fund
	FY 22 Approved	\$291,464,000	44%	of the General Fund
	\$ decrease	(\$5,185,500)		
	% decrease	-1.78%		

In FY 23, the County is adopting a tax rate of \$0.8413 which is \$0.05 lower than last year's tax rate of \$0.8913, and \$0.0423 lower than the constant yield. The constant yield tax rate is the tax rate that a jurisdiction would have to impose in order to obtain the same amount of property tax revenue in FY 2023 as it received in FY 2022. The decrease of \$5.2 million or 1.78% from prior year is due to the lowering of the tax rate below the constant yield. The State reassesses all properties on a triennial basis. Statewide "Group 1" reassessments in FY 23 increased by 12.0% over the past three years according to State Department of Assessment and Taxation. In Harford County, assessments in Group 1, which mainly covers the northern rural area of the County, grew by 9.6% with residential and commercial assessments increasing by 10.3% and 3.8% respectively.

<u>INCOME TAXES</u>	FY 23 Approved	\$299,775,000	40%	of the General Fund
	FY 22 Approved	\$268,250,000	41%	of the General Fund
	\$ growth	\$31,525,000		
	% growth	11.75%		

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. The increase in quarterly revenue is largely due to an improving economy, lower unemployment, inflation and a change in how pass-thru-entities, such as LLC's make their tax payments in order to deduct State and local taxes from their Federal returns. FY 22 income tax is estimated at \$285.5 million which is \$17.3 million above our originally estimated amount. FY 23 will be our twelfth year of positive growth in income tax for Harford County.

<u>OTHER REVENUES</u>	FY 23 Approved	\$166,516,500	22%	of the General Fund
	FY 22 Approved	\$98,911,000	15%	of the General Fund
	\$ growth	\$67,605,500		
	% growth	68.35%		

The elements mainly responsible for the growth in "Other" revenues are:

	<u>FY 22 Funding</u>	<u>FY 23 Funding</u>	<u>Change</u>
<u>Recordation Tax</u>	\$11,880,000	\$17,700,000	\$5,820,000

In FY 23, we are anticipating \$13.4 million of new recordation tax and \$4.3 million of carryover from the prior year to the General Fund for school debt.

<u>Transfer Tax</u>	\$8,000,000	\$14,000,000	\$6,000,000
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In FY 23, we are anticipating 11.0 million of new transfer tax and \$3.0 million of carryover from the prior year to the General Fund to pay school debt.

<u>Fund Balance Appropriated</u>	\$38,625,000	\$85,989,504	\$47,364,504
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Governmental funds report the difference between their assets and liabilities as fund balance. In FY 22, we appropriated \$38.6 million of assigned fund balance. In FY 23 we have appropriated \$86.0 million of unassigned fund balance.

<u>All "Other" Revenues combined</u>	\$40,406,000	\$48,826,996	\$8,420,996
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These include: Other taxes, charges for current services, revenues from other agencies, fines and forfeitures, licenses and permits and investment income.

GENERAL FUND EXPENDITURES

	ORIGINAL BUDGET FY 22	ENACTED FY 23	CHANGE FY 23 VS. FY 22
<u>GENERAL FUND SUMMARY BY DEPARTMENT:</u>			
COUNTY EXECUTIVE	879,620	953,309	73,689
ADMINISTRATION	9,101,872	10,375,763	1,273,891
PROCUREMENT	991,007	1,179,861	188,854
TREASURY	4,003,070	4,603,205	600,135
LAW	2,505,937	2,895,222	389,285
PLANNING AND ZONING	4,189,004	4,900,241	711,237
HUMAN RESOURCES	2,373,377	3,111,286	737,909
COMMUNITY SERVICES	6,222,850	7,025,479	802,629
HANDICAPPED CARE CENTERS	2,597,993	2,857,792	259,799
HEALTH	4,018,168	4,018,168	0
OFFICE OF GOV'T & COMMUNITY RELATIONS	1,414,779	1,519,487	104,708
INFORMATION & COMMUNICATION TECHNOLOGY	12,828,256	13,627,811	799,555
SHERIFF'S OFFICE	95,817,793	114,035,271	18,217,478
EMERGENCY SERVICES	30,301,247	36,397,702	6,096,455
INSPECTIONS, LICENSES AND PERMITS	3,733,969	4,207,901	473,932
PUBLIC WORKS	22,205,146	26,224,428	4,019,282
COUNTY COUNCIL	3,705,655	4,377,176	671,521
JUDICIAL	4,242,220	4,889,894	647,674
STATE'S ATTORNEY	7,491,665	9,120,719	1,629,054
ELECTIONS	2,909,344	3,429,075	519,731
BOARD OF EDUCATION	293,812,984	324,237,657	30,424,673
HARFORD COMMUNITY COLLEGE	18,074,369	19,881,806	1,807,437
LIBRARIES	18,890,693	20,886,654	1,995,961
PARKS AND RECREATION	11,836,833	12,773,305	936,472
CONSERVATION OF NATURAL RESOURCES	884,610	986,612	102,002
COMMUNITY & ECONOMIC DEVELOPMENT	5,796,363	8,659,362	2,862,999
DEBT SERVICE	59,050,000	61,616,852	2,566,852
INSURANCE	595,579	779,184	183,605
BENEFITS	10,433,470	3,373,634	(7,059,836)
MISCELLANEOUS	17,617,127	39,525,144	21,908,017
RESERVE FOR CONTINGENCIES	100,000	100,000	0
TOTALS:	658,625,000	752,570,000	93,945,000

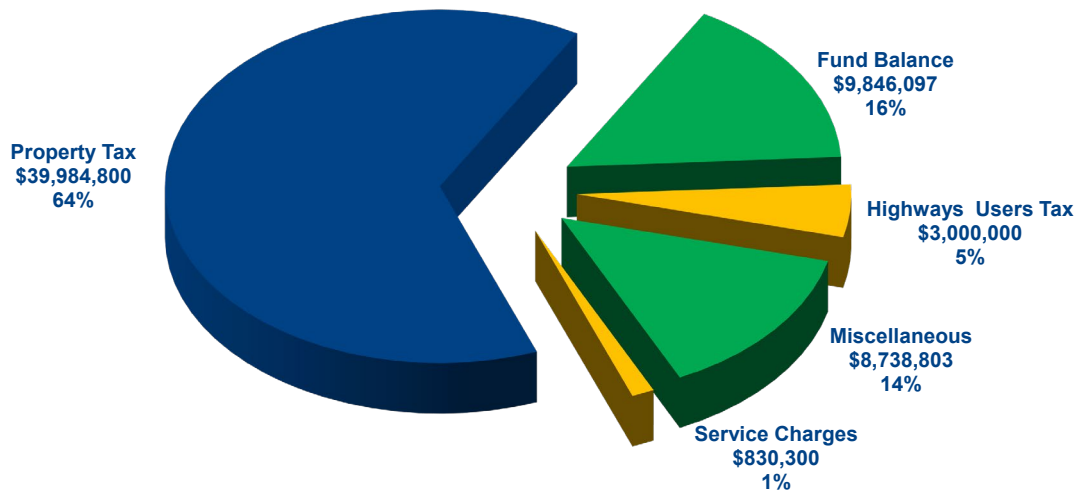
The General Fund realizes an increase of \$93,945,000 or 14% over FY 2022

SIGNIFICANT CHANGES:

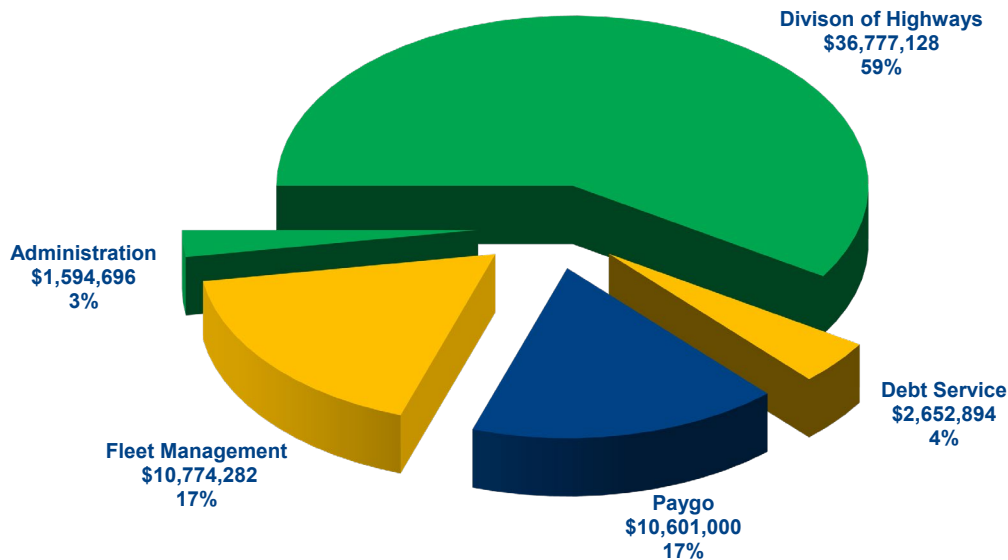
- o A 7% COLA and a merit based increase of a step or 3% for all eligible employees
- o An increase of \$20,088,000 over FY 22 for PAYGO projects to support the proposed FY 23 Capital Budget
- o Record level funding for education for an increase of \$41.8 million over FY 22 funding
- o Historic level funding for public safety for an increase of \$32.8 million over FY 22 funding

FY 2022 - 2023 HIGHWAYS FUND

REVENUES TOTAL APPROVED BUDGET \$62,400,000



APPROPRIATIONS TOTAL APPROVED BUDGET \$62,400,000



<u>FY 22 APPROVED</u>	<u>FY 23 APPROVED</u>	<u>CHANGE</u>
\$56,900,000	\$62,400,000	\$5,500,000

SIGNIFICANT CHANGES:

- o Merit increase of 3% and COLA of 7% for all eligible employees
- o Highways Maintenance adjusted based on increases in tree trimming contract, salt, sand and other materials
- o Increase in Fleet Management expenses
- o Paygo funding provides for capital projects such as resurfacing, fleet replacement, bridge inspection, guardrails, traffic calming & road safety improvements, and other various roadway improvement projects

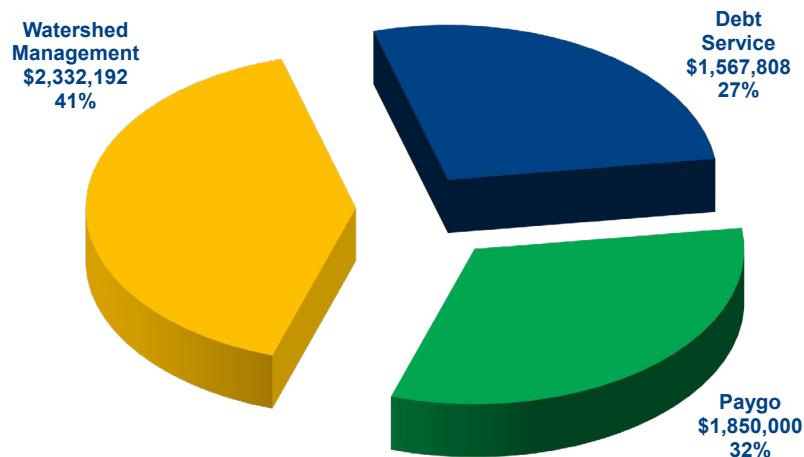


**FY 2022 - 2023
WATERSHED MANAGEMENT FUND**

**REVENUES
TOTAL APPROVED BUDGET \$5,750,000**



**APPROPRIATIONS
TOTAL APPROVED BUDGET \$5,750,000**

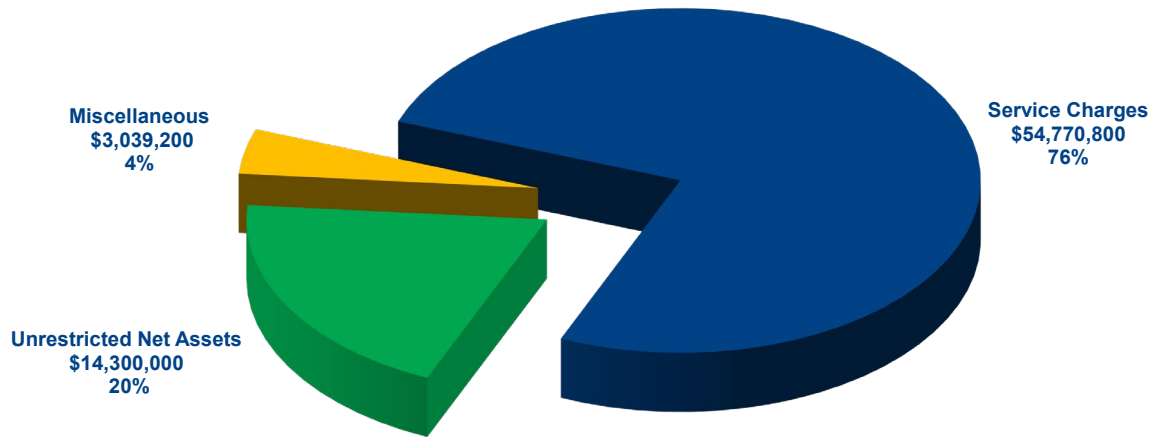


<u>FY 22 APPROVED</u>	<u>FY 23 APPROVED</u>	<u>CHANGE</u>
\$4,280,500	\$5,750,000	\$1,469,500

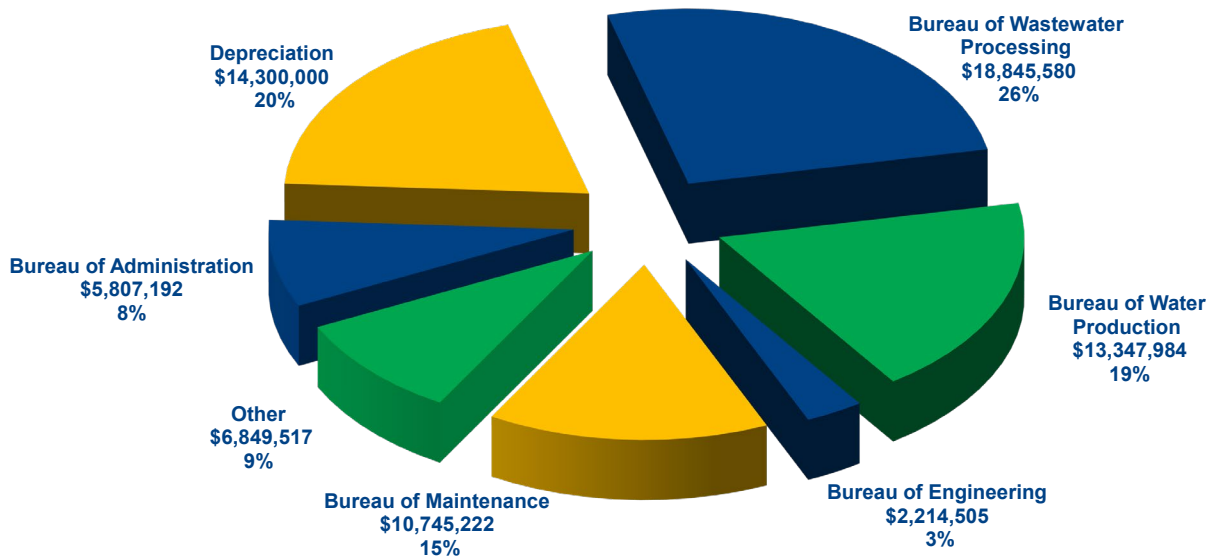
The agreement allocates approximately 20% of dedicated revenues to the municipalities, which covers any County government obligation to municipal storm-water requirements. This fund is a special account for deposit of a certain portion of the recordation tax, \$0.55 for each \$500 of the sale price (or lien amount) for each property deed recorded. The proceeds of this fund are used for the County's watershed protection and restoration programs. The State requires a separate fund be established for this purpose.

**FY 2022 - 2023
WATER & SEWER OPERATING FUND**

**REVENUES
TOTAL APPROVED BUDGET \$72,110,000**



**APPROPRIATIONS
TOTAL APPROVED BUDGET \$72,110,000**



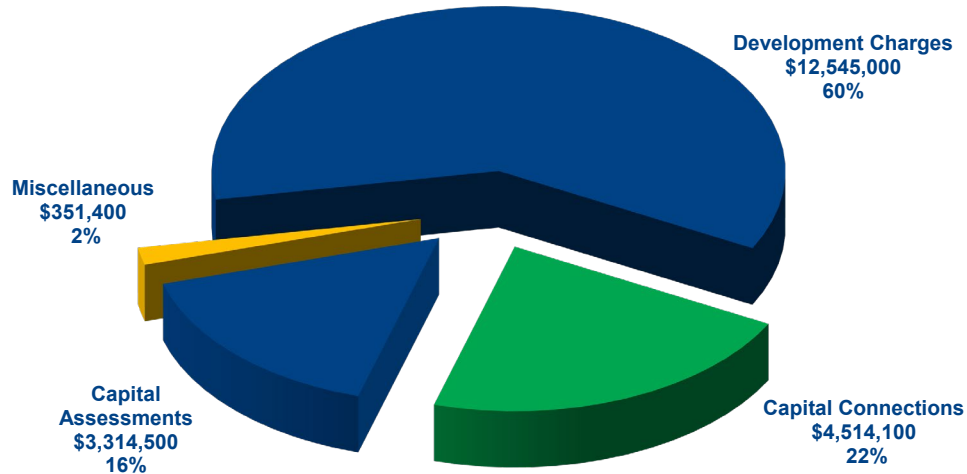
<u>FY 22 APPROVED</u>	<u>FY 23 APPROVED</u>	<u>CHANGE</u>
\$67,135,000	\$72,110,000	\$4,975,000

SIGNIFICANT CHANGES:

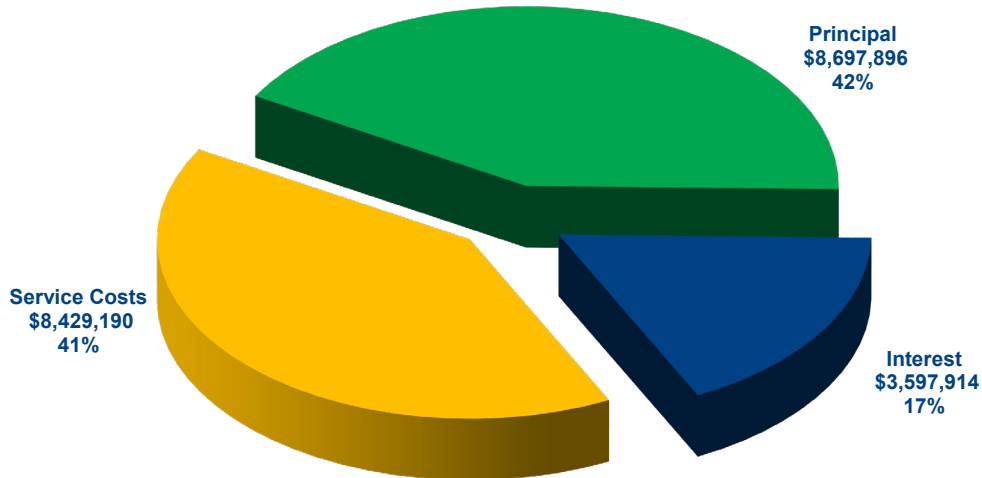
- o Merit Increase of 3% and COLA of 7% for all eligible employees
- o Funding allocation for fire hydrant painting, elevated water tank maintenance; adjustments to inspections and maintenance; and an increase for chemicals in bulk based on escalating costs
- o Adjustments to depreciation and pro rata shares

**FY 2022 - 2023
WATER & SEWER DEBT SERVICE**

**REVENUES
TOTAL APPROVED BUDGET \$20,725,000**



**APPROPRIATIONS
TOTAL APPROVED BUDGET \$20,725,000**

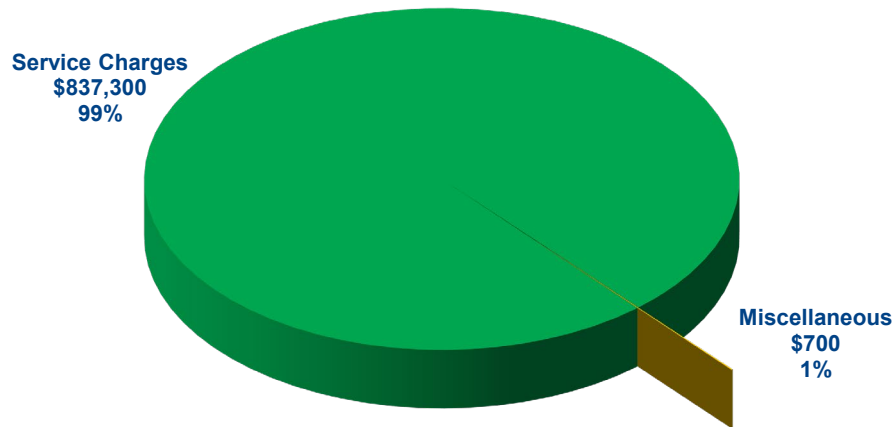


<u>FY 22 APPROVED</u>	<u>FY 23 APPROVED</u>	<u>CHANGE</u>
\$21,464,000	\$20,725,000	(\$739,000)

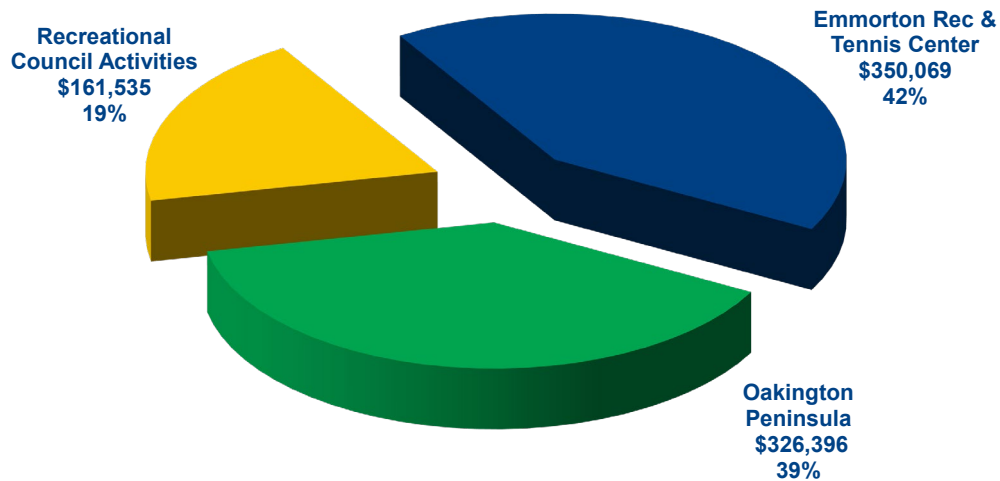
The Water & Sewer Debt Service Fund provides appropriation authority for the payment of principal and interest on long term water and sewer bonds and loans used to finance the capital projects of the County-owned water & sewer system. The decrease in funding for FY 23 is a result of the principal and interest payments adjusted to amounts due on outstanding debt.

**FY 2022 - 2023
PARKS AND RECREATION
SPECIAL REVENUE FUND**

**REVENUES
TOTAL APPROVED BUDGET \$838,000**



**APPROPRIATIONS
TOTAL APPROVED BUDGET \$838,000**



<u>FY 22 APPROVED</u>	<u>FY 23 APPROVED</u>	<u>CHANGE</u>
\$771,500	\$838,000	\$66,500

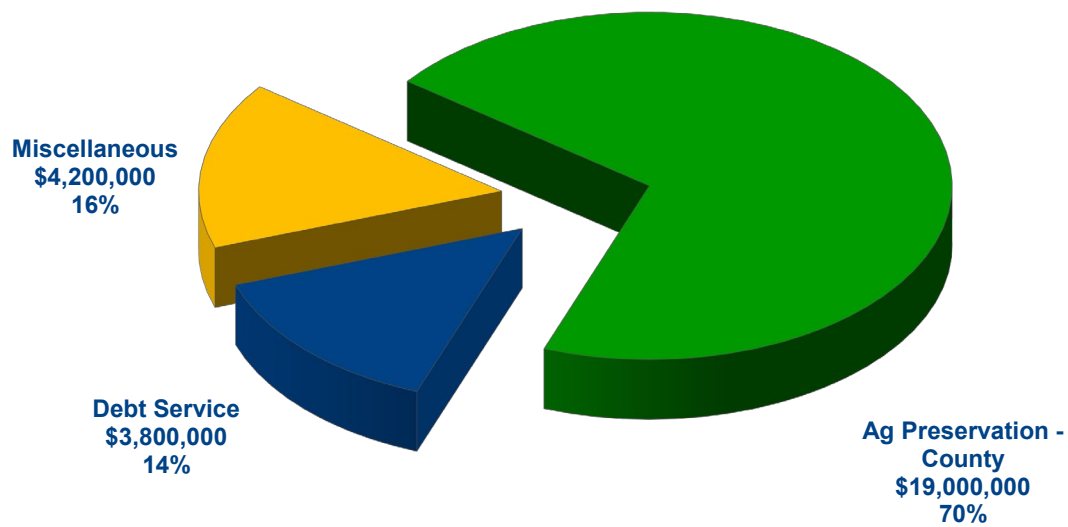
Funding adjusted in special revenue funds based on revenue trends and estimates.

**FY 2022 - 2023
COUNTY - AG PRESERVATION**

**REVENUES
TOTAL APPROVED BUDGET \$27,000,000**



**APPROPRIATIONS
TOTAL APPROVED BUDGET \$27,000,000**



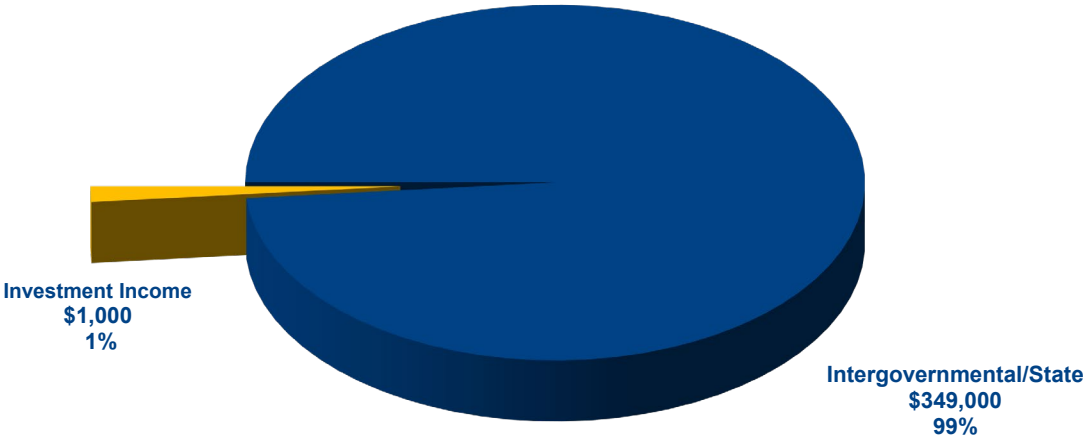
<u>FY 22 APPROVED</u>	<u>FY 23 APPROVED</u>	<u>CHANGE</u>
\$25,479,000	\$27,000,000	\$1,521,000

Harford County is committed to Agricultural Land Preservation. An allocation of \$19,000,000 is provided for purchase of Ag Preservation easements.

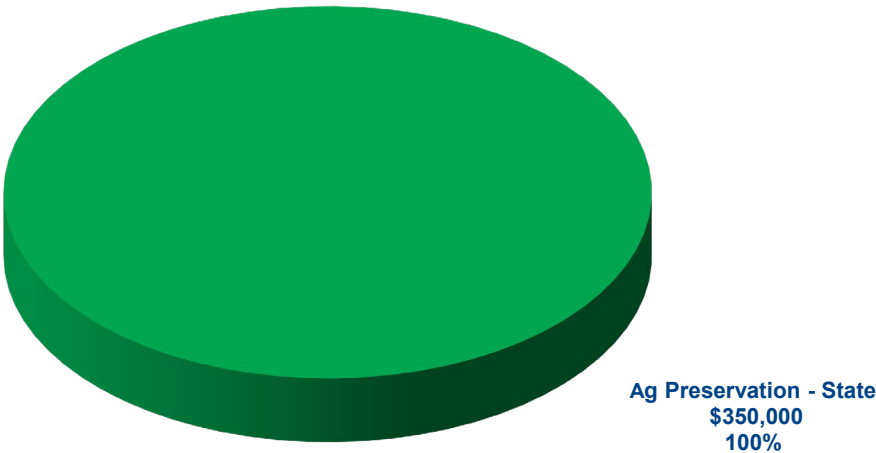


FY 2022 - 2023
STATE - AG PRESERVATION

REVENUES
TOTAL APPROVED BUDGET \$350,000



APPROPRIATIONS
TOTAL APPROVED BUDGET \$350,000

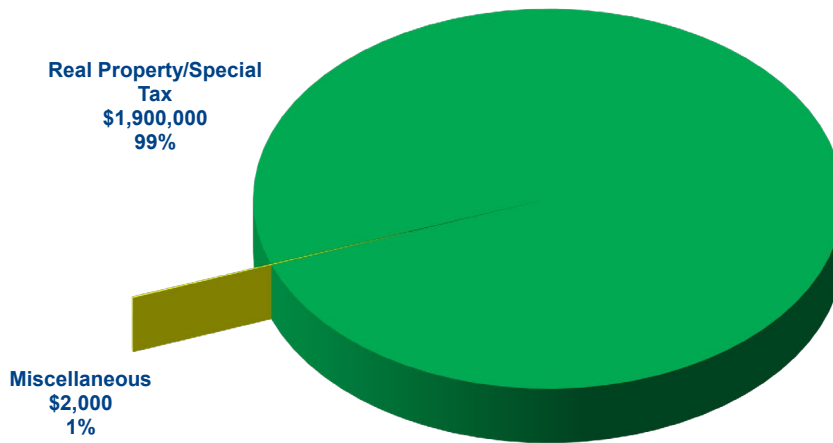


<u>FY 22 APPROVED</u>	<u>FY 23 APPROVED</u>	<u>CHANGE</u>
\$501,000	\$350,000	(\$151,000)

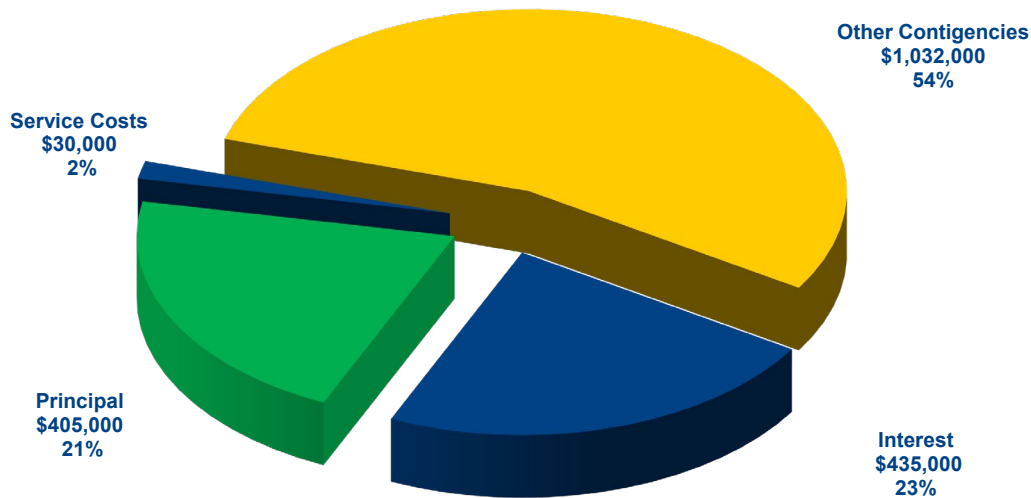
Harford County's Agricultural Program is certified, therefore, the Program can retain 75% of the Agricultural Transfer Tax collected. For FY 23, it is projected that the County's share of the State Agricultural Tax will be \$349,000. The County will use \$30,000 of this revenue to offset the salary and 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 \$320,000.

**FY 2022 - 2023
TAX INCREMENT FINANCING**

**REVENUES
TOTAL APPROVED BUDGET \$1,902,000**



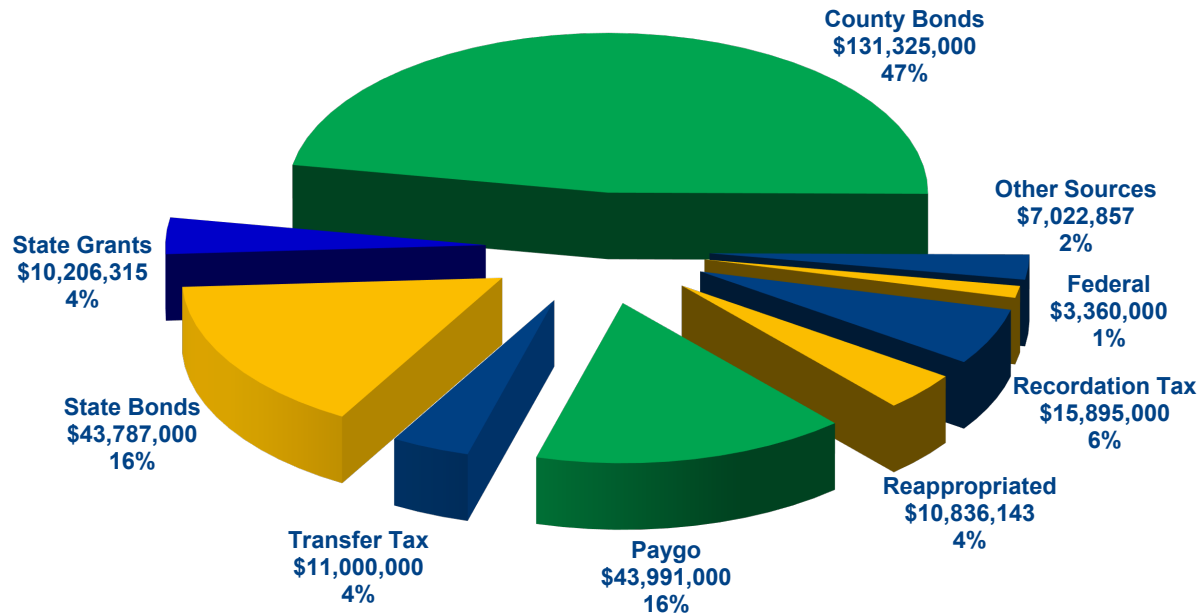
**APPROPRIATIONS
TOTAL APPROVED BUDGET \$1,902,000**



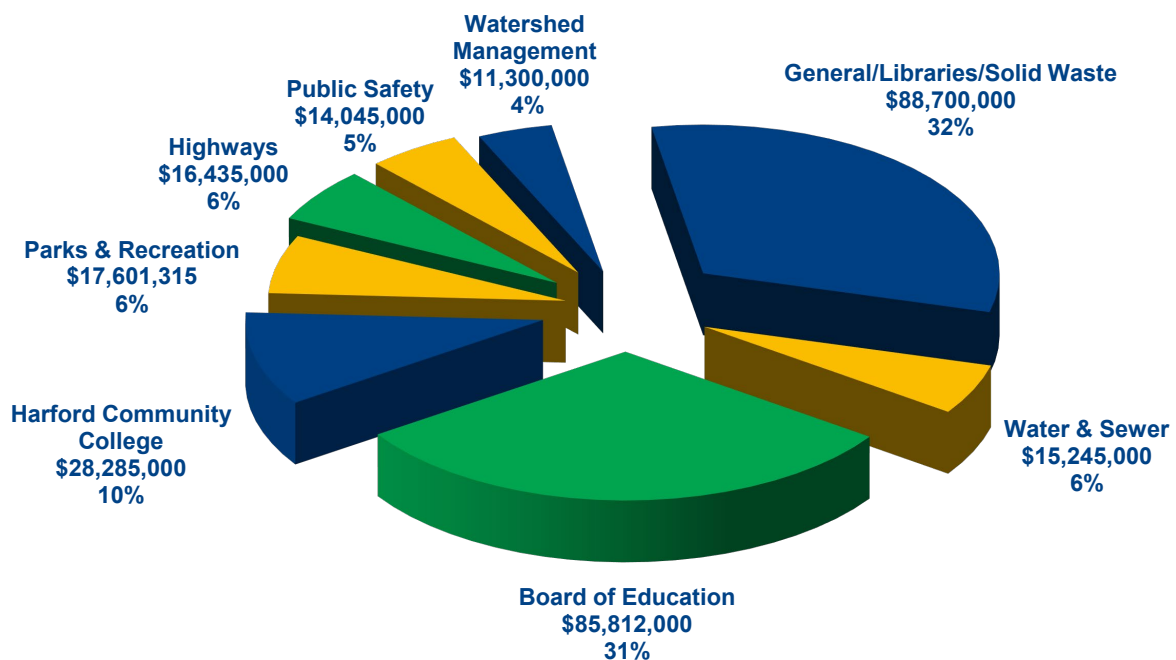
<u>FY 22 APPROVED</u>	<u>FY 23 APPROVED</u>	<u>CHANGE</u>
\$1,641,000	\$1,902,000	\$261,000

The Beechcreek Estates Tax Increment Fund is a special fund authorized by Bill 10-10. The Bill provides 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 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 2022-2023
APPROVED CAPITAL BUDGET
REVENUES
TOTAL BUDGET \$277,423,315**



**APPROPRIATIONS
TOTAL BUDGET \$277,423,315**





FISCAL YEAR 2023 APPROVED CAPITAL BUDGET

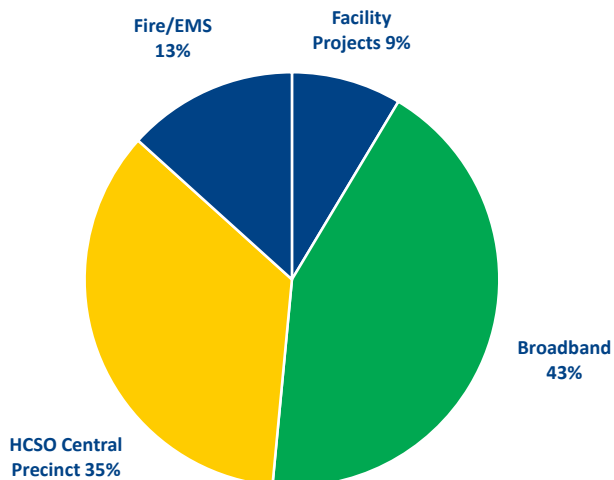
The development of each year's budget is based on current and projected economic conditions, operational needs, the needs of the citizens, and legislated mandates; coupled with the strategic plans, fiscal policies, and management techniques adopted by the Administration.

We monitor revenue trends and re-evaluate our projections throughout the year. This analysis, along with recommendations from our Spending Affordability Committee, provides the Administration with the knowledge of how much total funding is available to allocate to the upcoming budget, as well as the source of the revenue, its trends, and whether the funds are "one-time" or "ongoing" in nature. The Administration is committed to spending only what we can afford. We will incur debt only when we are confident that sustainable resources will be available to retire that debt. We will appropriate "one-time" revenues for "one-time" expenses only; and we will not commit to future expenses without identifying revenues which will be available to support them.

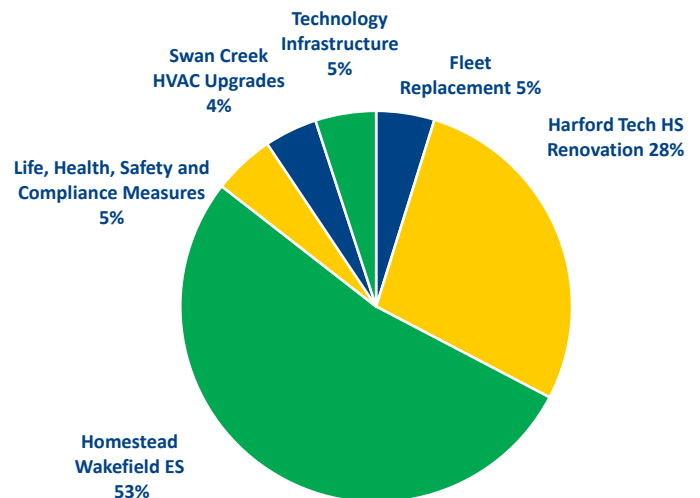
The Approved Fiscal Year 2023 Capital Budget consists of 145 projects at a total cost of \$277,423,315. With the continued demands of a tough economy this budget supports our most pressing challenges including school modernization issues, public safety, sustaining a strong infrastructure, and the environment.

Harford County's financial operations are characterized by maintenance of sound reserves, a conservative approach to budget development, and timely revenue and spending adjustments. Fiscal policies governing multi-year planning, reserve retention and use of surplus funds for capital and other one-time spending aid in steady operating performance. In January 2022, Moody's Investor Service, Fitch Ratings and Standard and Poor's all reaffirmed Harford County's AAA bond rating.

General County & Public Safety Capital Highlights



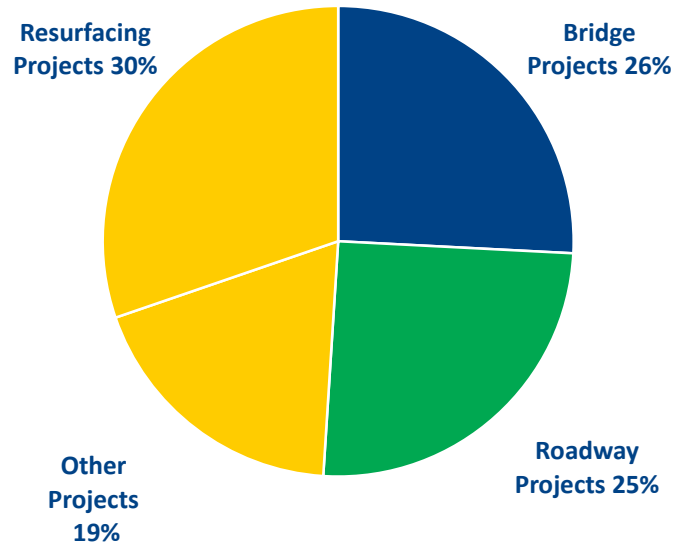
Board of Education Capital Highlights



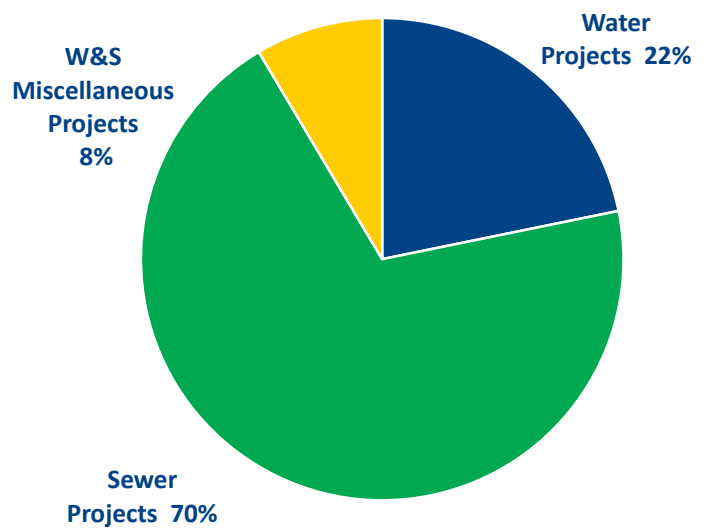
**FISCAL YEAR 2023
APPROVED CAPITAL BUDGET**

DEPARTMENT OF PUBLIC WORKS

HIGHWAYS CAPITAL PROJECTS



WATER AND SEWER CAPITAL PROJECTS



COUNTY EXECUTIVE

BARRY GLASSMAN

DIRECTOR OF ADMINISTRATION

Benjamin Lloyd

BUDGET AND EFFICIENCY

Kimberly Spence, *Chief*

Christen Sullivan, *Senior Budget Analyst*

William T. Watson, *Senior Budget Analyst*

Marlana Ireland, *Project Coordinator*



TREASURER

Robert Sandlass

COUNTY COUNCIL

Patrick S. Vincenti, Council President

Andre V. Johnson, District A

Joseph M. Woods, District B

Tony "G" Giangiardano, District C

Chad Shrodes, District D

Robert S. Wagner, District E

Curtis L. Beulah, District F