



HARFORD COUNTY

BUDGET IN BRIEF



APPROVED
FISCAL YEAR 2024

ROBERT G. CASSILLY, COUNTY EXECUTIVE



ROBERT G. CASSILLY

Harford County Executive

June 13, 2023

My first budget as county executive returns Harford County to fiscal responsibility and still maintains essential services for our citizens. In times of economic uncertainty, we must focus on needs versus wants. This budget reduces our structural deficit, makes major investments in public safety, and contributes to full funding for public schools, all without raising tax rates.

Our capital budget is especially impacted by high inflation and warning signs of a national recession. In response, we have slowed the pace of capital projects while preserving our long-term plans to build essential structures.

STRUCTURAL DEFICIT IS AN UNSUSTAINABLE BURDEN

County government spending over the last couple of fiscal years has created a structural deficit. In the FY23 budget year, the county used nearly \$90 million in savings to balance the budget. Of this amount, \$30 million was used for one-time costs, but nearly \$60 million was used for ongoing expenses. This is practically and morally unsustainable. While the current political trend is to pass financial reckoning on to the next office holder, we must begin now to address the deficit, to avoid passing an unsustainable burden onto our children. In the FY 24 budget, the structural deficit has been cut by 25 percent.

Reducing our spending is imperative given the substantial uncertainty in our national and the world economies. This uncertainty is evident in the form of rising interest rates, inflationary pressures, and labor strikes. In addition, on the local level, we face increased unfunded state mandates for education, primarily due to the state's \$32 billion Blueprint for Maryland's Future, also known as "Kirwan." State mandates for added police spending are also significant but indirect, in the form of increased personnel, equipment, insurance costs, and space to support processing of body camera footage, conduct additional training, and more. State laws over the past several years have made policing far more expensive.

To reduce deficit spending, most operating budget items have been carried forward from the current budget year without an increase. We use a small fraction of our fund balance for a conditional, phased-in 3% COLA for all county, sheriff's office, state's attorney and judicial system employees. Half of this increase will come in July, with the other half possible later in the fiscal year, depending on economic conditions. This is to help retain our dedicated staff through difficult times. Overall reduction of the structural deficit is accomplished by recovering \$12 million in user fees that would otherwise be paid for with tax dollars.

PUBLIC SAFETY IS A TOP PRIORITY

Emergency Services – There is a sizeable increase of more than 20% in the budget to support fire and EMS. This includes almost \$8 million for 111 new EMS positions (41 paramedics, 60 EMTs, eight shift supervisors, a shift manager, and a training officer). The services to be performed by these additional positions had, until now, been provided by the volunteer fire companies through paid staff provided by the Harford County Volunteer Fire & EMS Foundation. The volunteer fire companies had funded the Foundation with revenue received through billing of the health care providers for the serviced patients. At the Foundation’s request, Harford County government has assumed this responsibility and will be directly billing the health insurers of those served. Due to a national shortage in EMS workers, the county must pay a very competitive salary and signing bonus to rapidly staff up to meet current EMS demand. The county is also in the process of purchasing and refitting the ambulances from the volunteer companies and outfitting sleeping quarters at the existing volunteer companies to accommodate the new county EMS staff. The increase in the department of emergency services’ budget also includes \$1,258,325 for an additional 17 new dispatchers needed to reduce unacceptable workloads on the 9-1-1 staff. These workloads threatened our ability to properly respond to the thousands of emergency situations our residents face each year. The added staff are also needed to accommodate changes in the state law that preclude the transfer of 9-1-1 calls to dispatchers in the municipalities. Nearly one million dollars is added for contractual services for the additional EMS equipment maintenance, EMS billing, and related support services.

Sheriff’s Office - To continue to attract and maintain the best law enforcement personnel, we must offer competitive salaries. The FY 23 budget included step increases and COLAs of 7%. For FY 24, in addition to the conditional, phased-in 3% COLA, the budget includes an additional \$4,706,115 for pay-scale enhancements; \$1,048,762 to fund 10 new deputy positions; \$538,514 for additional overtime pay; \$457,440 for increased costs to equip 30 new police vehicles; \$697,951 for additional food service expenses in the detention center; \$953,261 for increased costs required to meet new state-mandated additions to medical and prescription drug services for inmates; and \$150K for two victims’ rights advocates.

Harford County Public Schools - We continue our county’s commitment to a high quality of education for our children. For the past three years, the county fully funded the board of education’s budget request. This funding, along with massive infusions of COVID relief funds, led HCPS to accumulate an unprecedented fund balance of \$92 million in unspent taxpayer money. For the upcoming fiscal year, the state, which has consistently underfunded HCPS, has finally begun to contribute their fair share. When state funding is combined with \$314,852,402 in county funding, plus a portion of the school system’s fund balance, HCPS will be able to fully fund their FY 24 budget. County funding continues to exceed the state-required maintenance of effort. An additional \$15 million is set aside in the operating budget for site acquisition to accommodate future enrollment growth. This includes funds to locate the new combination elementary school/Harford Academy (serving special needs students) in the Bel Air area, which will qualify it for state funding. Without state participation, the county would be the sole funder of this project, which is expected to cost a total of \$125 million.

Other major school projects include \$20 million for upgrades to Harford Technical High School, \$17 million for upgrades to Aberdeen Middle School, and \$16 million for planning the combination elementary school/Harford Academy.

As the county struggles to meet the school system’s ever-growing demands for more money, I encourage the school board to seek efficiency. We have also established a work group between my administration and HCPS to identify cost-sharing opportunities and to collaborate on the budget throughout the year.

Harford Community College – Due to prior funding, HCC has accumulated a \$44 million fund balance. This budget reflects no change in operating funds from the current year but includes an additional \$16.7 million for the new Chesapeake Welcome Center.

County Council – The council’s budget reflects the addition of a new position of legislative drafter. It also includes an increase of approximately \$100,000 for “contractual legal services” for a total budgeted amount of \$289,800 for undefined services for the council.

State’s Attorney – The net increase of \$540K for the state’s attorney includes 13 new positions, a chief of administration, administrative assistant, two legal assistants, and seven body-worn camera technicians. Two temporary law clerk positions have also been made permanent, and funding has been provided for additional staff salary increases.

Public Works – The budget for DPW is essentially flat from the prior year except for an increase of \$6,100,000 in the amount Harford County pays to Baltimore County to dispose of our garbage, which is shipped to Baltimore County’s transfer station by private trash haulers. An addition of approximately \$8.5 million reflects a shift to DPW of facilities and operations staff that had previously reported to the director of administration and the shift to DPW capital projects division of capital projects positions that had previously been under parks and recreation. These transfers are budget neutral.

County Executive - The budget shows a substantial increase due entirely to the elimination of the department of governmental and community relations and transfer of the remaining positions from that department into the executive staff. Apart from those transfers, the county executive’s budget remains the same as the previous year.

Administration - The administration budget shows a substantial decrease because of a transfer of facilities and operations staff, previously under the director of administration, to the department of public works. Funds are added to the director of administration’s resource management to staff and support the Southern County Task Force.

Procurement Department – The budget shows an increase due primarily to an anticipated increase in fuel costs for county vehicles. That budget is also increased to reflect a transfer to procurement of the property acquisition staff, previously housed under facilities and operations; this change was made to improve transparency, accountability, and efficiency.

Law Department – The budget reflects a modest increase in professional salaries necessary to maintain competitive rates needed to attract and retain high quality legal talent. This increase in professional salaries is more than offset by savings of over \$1 million the county spent in prior years for outside attorneys to provide legal services the law department is now performing in house.

Human Resources – The budget reflects a 10% increase to cover the rise in market rates for medical services for county employees and related, contractual professional services to support hiring and pay processes. It also includes an additional \$10,000 to cover the costs of the county’s new intern program for high school and college students. The internship program is intended to recruit a diverse group of local graduates into long-term employment to fill the many excellent career opportunities in our county government.

Economic Development - The budget for economic development reflects a substantial decrease as the functions, staff, and all expenses related to housing are shifted to a stand-alone department of housing and community development.

Housing and Community Development – The budget for this restored department consists primarily of the personnel moved from economic development. The budget includes funding for the new positions of director and deputy director. The director was transferred from her previous position as a deputy in the department of community and economic development.

Information Technology – The budget is increased by the addition of a new deputy director position and the rising cost of software maintenance and licenses.

Treasury - This budget reflects a decrease in certain itemized costs.

Harford County Public Library – Due to prior funding, HCPL has accumulated a \$12 million fund balance. This budget reflects no change from the prior year.

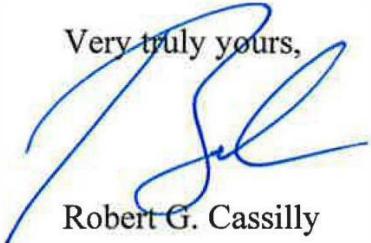
Parks & Recreation - The budget reflects no major change from the prior year.

CAPITAL BUDGET

County infrastructure projects include \$23 million for road and bridge maintenance and repairs, \$2 million for trails and linear parks countywide, and \$730,000 for development of a new Perryman Park. Funding continues to be appropriated from federal and state grants to help bring high-speed internet to more than 2,500 rural homes in Harford County. Planned funding has been moved up to FY25 for the Joppatowne Community Center.

In closing, I would like to thank my budget staff and county employees for their dedication. I would also like to thank the taxpayers who fund the county budget. I take very seriously my obligation to act as a good steward of your money. In an environment where county executives across the state are raising taxes, I am determined to live within our means. Thank you for the confidence you have placed in me. I am honored to serve you.

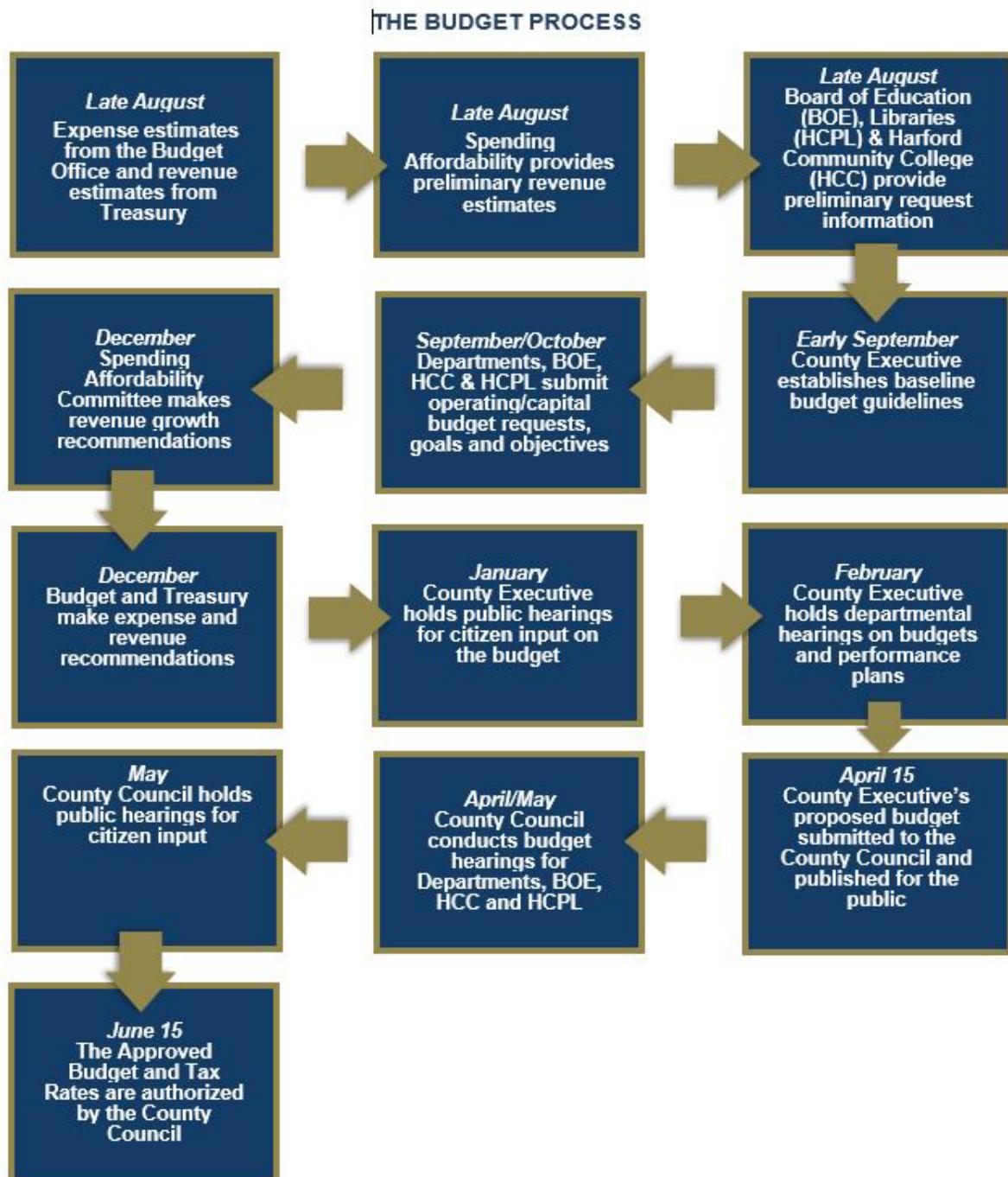
Very truly yours,



Robert G. Cassilly

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.

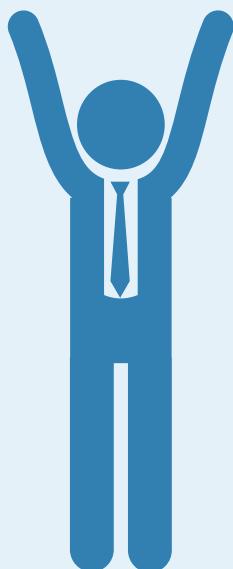


HARFORD COUNTY Economic Statistics Report

LAST UPDATED
June 12, 2023

Compiled by the Office of Economic Development

Labor Statistics



1.7% HARFORD COUNTY
Unemployment Rate 04/23
Source: MD DLLR

1.8% MARYLAND
Unemployment Rate 04/23
Source: MD DLLR

3.4% UNITED STATES
Unemployment Rate 04/23
Source: US BLS

62.6% In-Commute Jobs
37.4% Out-Commute Jobs
Source: ACS 2021 (Table S0801)

\$1,093

Harford County
Annual Average
Wage/Week - Q32022

Source: U.S. BLS

Harford County Demographic Profile

Source: United States Census Bureau 2021

Total Population
262,977



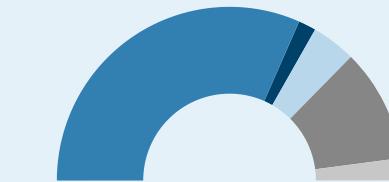
\$96,328
2021 median
household income
38.2% higher than the
national level

Per Capita Income
\$44.3K

Median Age
39.6

Population by Age Range

- Under 5: 5.4%
- 5 - 17: 16.9%
- 18 - 64: 60.7%
- Over 65: 17.0%



Class of Worker

- Employee of private company: 63.2%
- Self-employed in own business: 3.3%
- Private not-for-profit wage: 8.3%
- Local/State/Federal government: 21.1%
- Self-employed not in own business: 4.1%

INDUSTRY FOR CIVILIAN LABOR FORCE



Permitting Data

2019 - May 2023

2022 Data Estimates

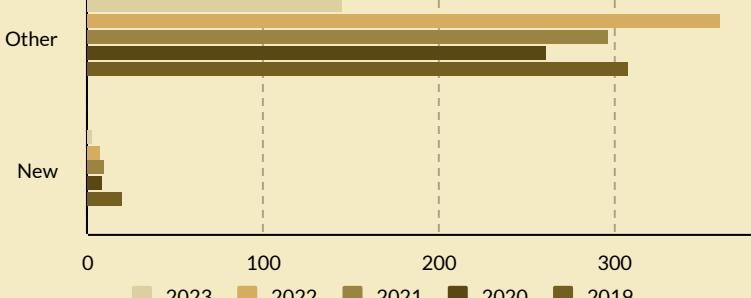
CAPITAL INVESTMENT
\$73M

SQUARE FOOTAGE
1.08M

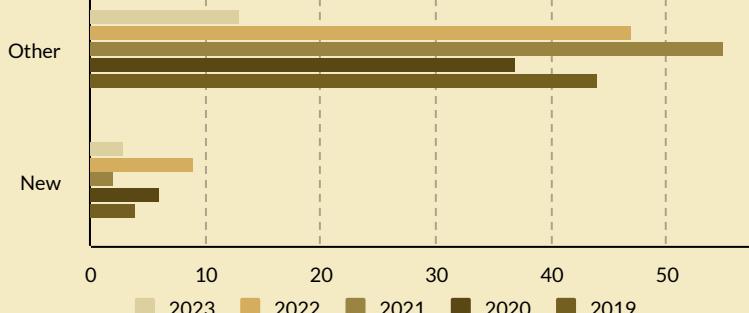
NEW JOBS
449

Please note: the Economic Development Office is dedicating time and resources to accuracy of this data set.

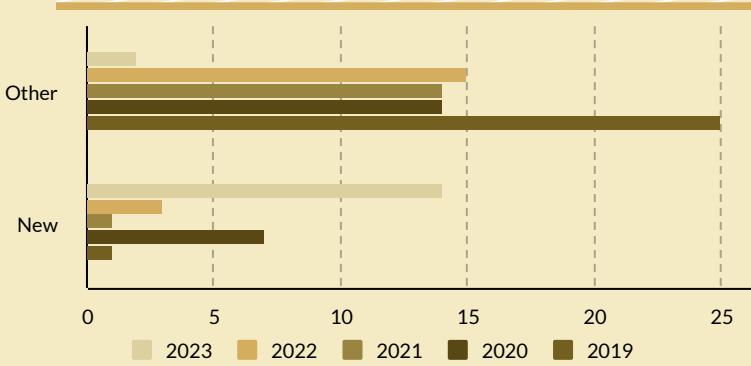
COMMERCIAL



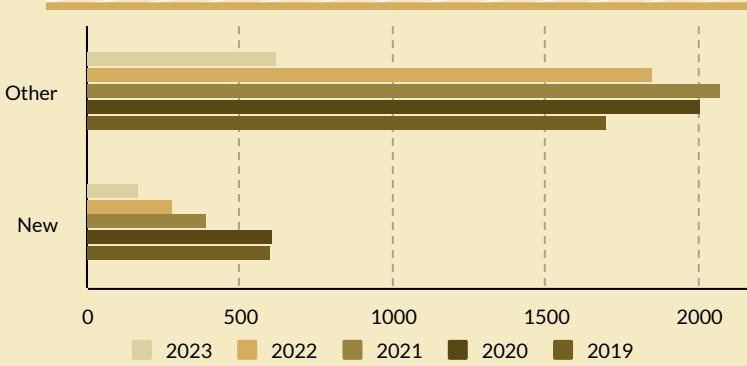
MANUFACTURED



MULTI-FAMILY



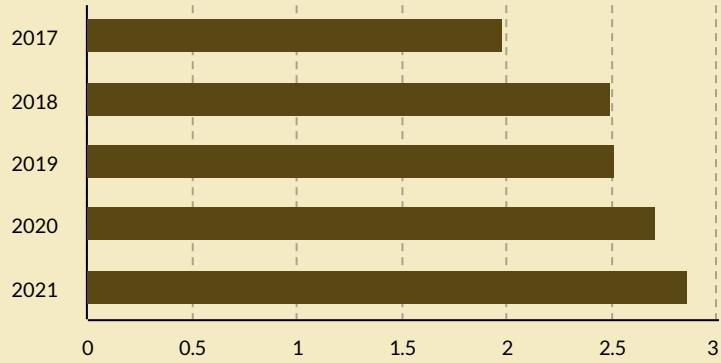
RESIDENTIAL



Ongoing Growth

RETAIL EXPENDITURES

IN BILLIONS OF DOLLARS



Harford County households spent an average of \$29,000 on retail goods in 2021, 23% above the national average.

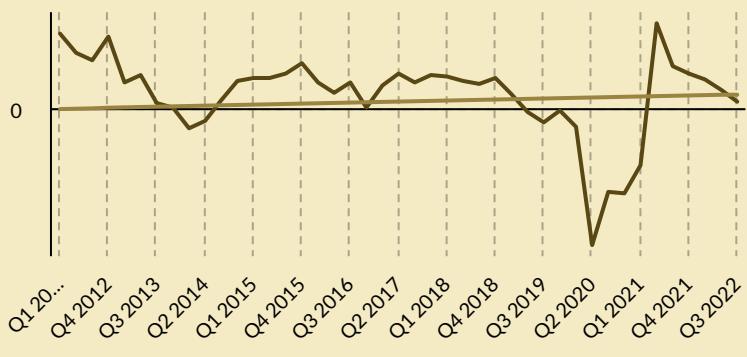
Source: U.S. Bureau of Economic Analysis, ESRI DevLabs

Click or
scan here
to see our
Fast Facts



JOB GROWTH RATE

— Job Growth Rate — Average 0.97% Growth Rate Q1 2012 - Q3 2022



Source: U.S. BLS QCEW, 2012 - 2022

Real Estate



RETAIL

Vacancy Rate	6.2%
Rental Rate/Sq Ft	\$21.51
Inventory Sq Ft	12.6M



OFFICE

Vacancy Rate	13.4%
Rental Rate/Sq Ft	\$23.45
Inventory Sq Ft	5.8M



INDUSTRIAL

Vacancy Rate	7.9%*
Rental Rate/Sq Ft	\$9.01
Inventory Sq Ft	28.4M

Source: CoStar Realty Information - as of May 1, 2023



Harford County - Residential

	% CHANGE 1YR	
Units Sold	200	-1%
Median Sale Price	\$350,500	+1%



Aberdeen, Belcamp, Havre de Grace

	% CHANGE 1YR	
Units Sold	58	-23%
Median Sale Price	\$292,500	-4%



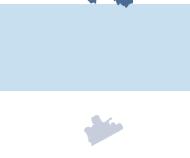
Abingdon

	% CHANGE 1YR	
Units Sold	23	-1%
Median Sale Price	\$299,000	+5%



Bel Air

	% CHANGE 1YR	
Units Sold	57	-1%
Median Sale Price	\$430,000	+15%



Edgewood

	% CHANGE 1YR	
Units Sold	11	-1%
Median Sale Price	\$225,000	+15%



Fallston

	% CHANGE 1YR	
Units Sold	8	-50%
Median Sale Price	\$572,500	+12%



Forest Hill, Jarrettsville, North

	% CHANGE 1YR	
Units Sold	29	-28%
Median Sale Price	\$502,000	+1%



Joppa

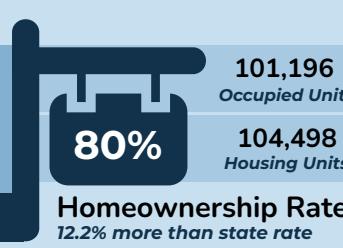
	% CHANGE 1YR	
Units Sold	10	-1%
Median Sale Price	\$309,950	-16%



**\$1,391/
month**

Median Gross Rent
in Harford County
\$82 less than state median

Source: U.S. Census Bureau, 2021



Availability Rate: 11.0%
It's important to note that "vacant" industrial space does not mean "available for rent", thus the above addendum

OTHER NEWS IN HARFORD COUNTY

Coppermine

Coppermine in Edgewood is progressing. Coppermine re-opened Bel Air Athletic Club after acquisition and \$1M in upgrades.

Defense Events

OED's first Making Sense of Defense event in April brought in more than 50 attendees. More defense events on the horizon.

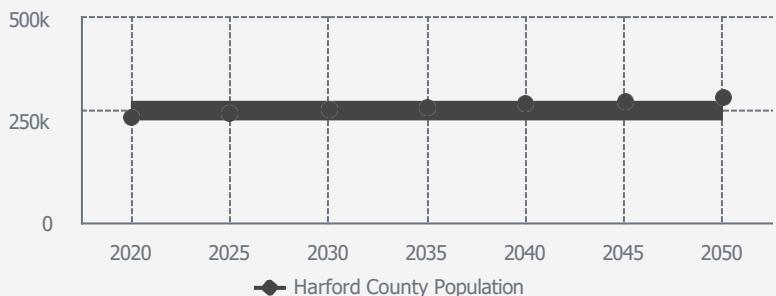
Business Navigation

HCG has a new Business Navigator to liaise between agencies to resolve development issues. 27 projects currently ongoing.

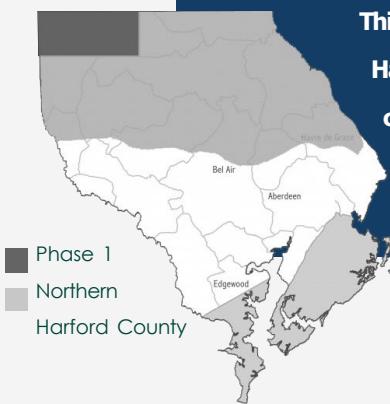
Projected Growth

Source: Baltimore Metropolitan Council, 2020

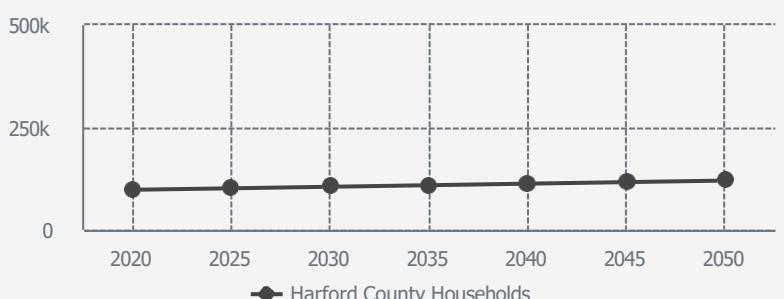
PROJECTED POPULATION



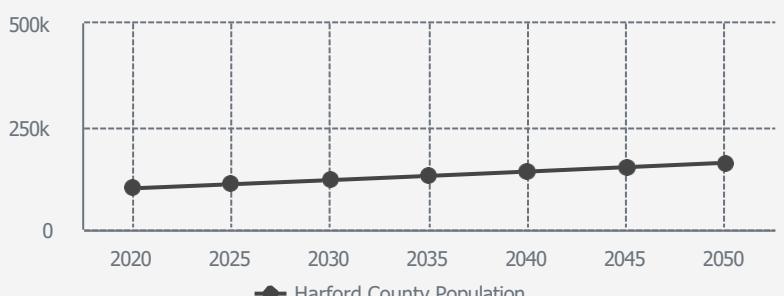
ThinkBig Networks entered into a partnership with Harford County in 2021 to provide broadband connectivity to northern Harford County.



PROJECTED HOUSEHOLDS

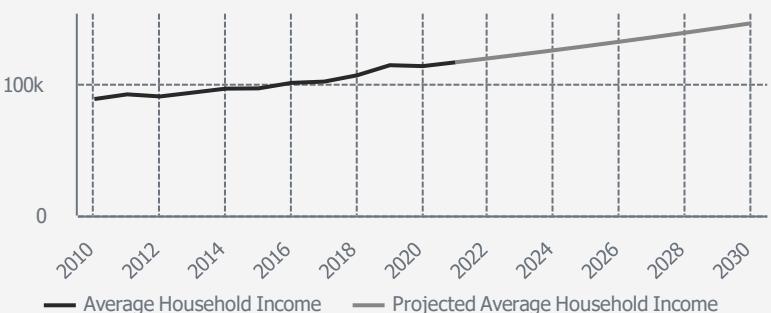


PROJECTED EMPLOYMENT



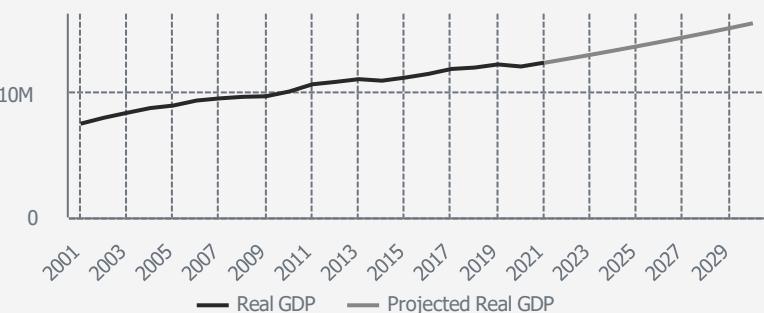
PROJECTED INCOME GROWTH

Source: U.S. Census Bureau
Assumes a 2.557% average increase based on data from 2010-2020



PROJECTED GDP GROWTH

Source: Bureau of Economic Analysis
Assumes a 2.5525% average increase based on data from 2001-2020



Total: 208,280 Total: 48,525

Provider Type	Urban	Rural
0 providers	50,000	10,000
1 provider	80,000	20,000
2 providers	60,000	10,000
3+ providers	10,000	10,000

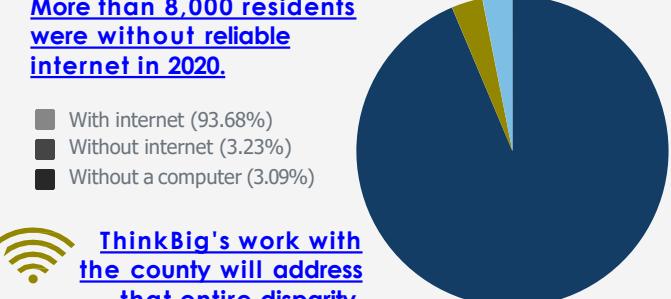
PARAMETERS

Technology: ADSL, Cable, Fiber, Fixed Wireless, Satellite, and Other

Speed: $\geq 100/10$ Mbps

Date: June 2021

[More than 8,000 residents were without reliable internet in 2020.](#)



 [ThinkBig's work with the county will address that entire disparity.](#)

Source: 2020 ACS 5-Year Estimates
Table B28008

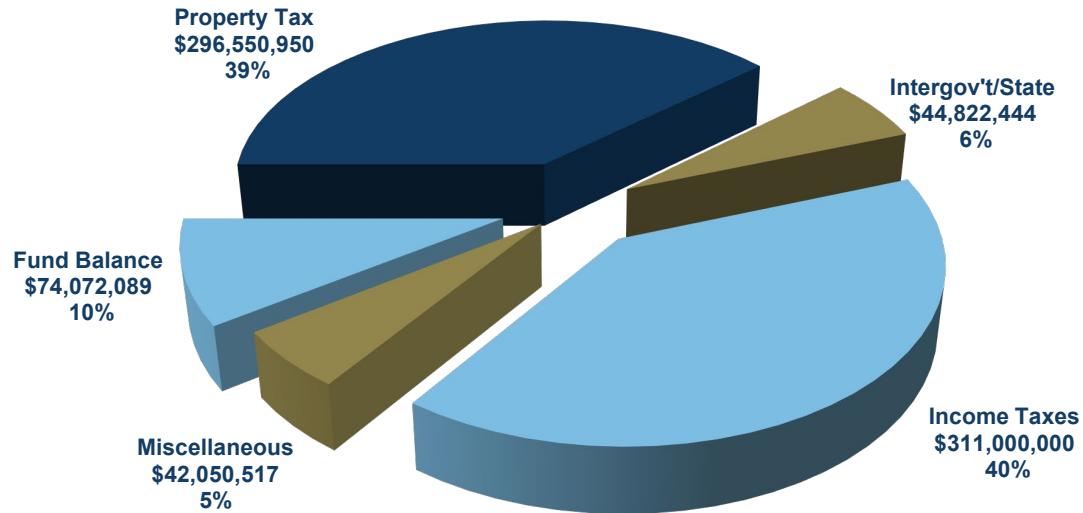
HARFORD COUNTY
TOTAL FY 24 APPROVED BUDGET ALL FUNDS
\$1,225,209,000



GENERAL FUND REVENUES

Fiscal Year 2023 - 2024

TOTAL APPROVED BUDGET \$768,496,000



FY 2024 APPROVED GENERAL FUND REVENUE BREAKDOWN

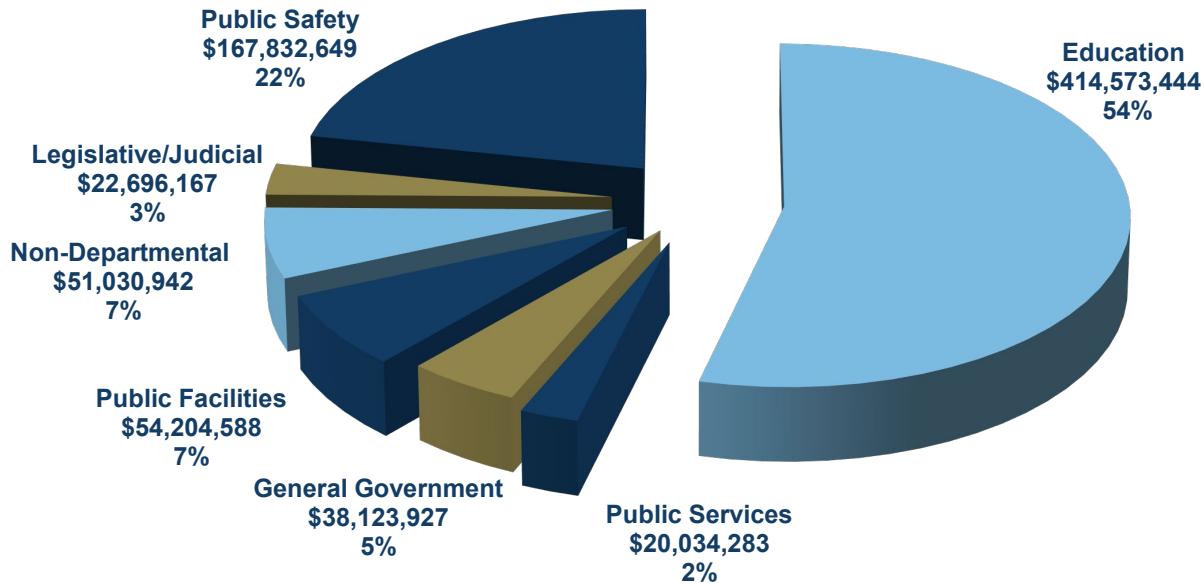
PROPERTY TAXES:	39%	296,550,950	INCOME TAX	40%	311,000,000
Real & Personal		303,420,450			
Deductions		(6,869,500)			
			INTERGOV'T/STATE:	6%	44,822,444
			Intergovernmental		8,635,000
			Intra-County		2,287,829
MISCELLANEOUS:	5%	42,050,517	Pro Rata		7,399,015
Other Taxes		5,215,000	Recordation		14,000,600
Service Charges		24,357,850	Transfer		12,500,000
Fines & Forfeitures		52,000			
Miscellaneous Revenues		1,047,267	FUND BALANCE	10%	74,072,089
Investment Income		6,901,000			
Licenses & Permits		4,477,400			

TOTAL GENERAL FUND REVENUES	768,496,000
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GENERAL FUND APPROPRIATIONS

Fiscal Year 2023 - 2024

TOTAL APPROVED BUDGET \$768,496,000



FY 2024 APPROVED GENERAL FUND APPROPRIATION BREAKDOWN

GENERAL GOVERNMENT	5.0%	38,123,927	EDUCATION:	53.9%	414,573,444
County Executive		1,869,589	Public Schools:	48.3%	370,943,989
Administration		1,588,902	Board of Ed. Operating		314,852,402
Procurement		1,500,727	Board of Ed. Debt Service		35,719,939
Treasury		4,298,882	Board of Ed. PAYGO		1,482,000
Law		2,855,104	HCSO School Safety Division		3,889,648
Human Resources		7,755,084	PAYGO School Site Acquisition		15,000,000
Info. & Communications Tech.		13,823,667			
Planning & Zoning		4,431,972			
PUBLIC FACILITIES:	7.1%	54,204,588	Harford Community College:	2.9%	22,544,048
Public Works		41,015,613	HCC Operating		19,881,806
Natural Resources		977,524	HCC Debt Service		2,662,242
Parks & Recreation		12,036,451			
Solid Waste PAYGO		175,000	Harford County Public Library:	2.7%	21,085,407
			HCPL Operating		20,885,407
			HCPL PAYGO		200,000
PUBLIC SAFETY:	21.8%	167,832,649	LEGISLATIVE/JUDICIAL:	3.0%	22,696,167
Sheriff		113,853,961	County Council		4,378,696
Emergency Services		34,483,342	Judicial		4,854,954
Volunteer Fire Companies		10,223,302	State's Attorney		9,660,401
Inspections, Licenses & Permits		3,775,044	Elections		3,802,116
Humane Society		1,187,000			
Public Safety PAYGO		4,310,000			
PUBLIC SERVICES:	2.6%	20,034,283	NON-DEPARTMENTAL:	6.6%	51,030,942
Community Services		5,866,902	Insurance		899,968
Health		4,018,168	Benefits		3,248,140
Handicapped Centers		2,951,795	Contingency Reserve		100,000
Housing & Community Devel.		2,272,595	Capital Improvements (General)		7,925,000
Economic Development		4,924,823	Grant Matches		6,939,606
			Debt Service (General)		26,826,609
			Appropriation to Towns		3,921,619
			Appropriation to State		1,170,000

TOTAL GENERAL FUND APPROPRIATIONS

768,496,000

GENERAL FUND REVENUES

FY 23 APPROVED BUDGET \$752,570,000 FY 24 APPROVED BUDGET \$768,496,000 CHANGE \$15,926,000

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 (80%) of our projected General Fund Revenues come from Property Taxes and Income Taxes.

<u>PROPERTY TAXES</u>	FY 24 Approved	\$296,550,950	39%	of the General Fund
	FY 23 Approved	\$286,278,500	38%	of the General Fund
	\$ growth	\$10,272,450		
	% growth	3.59%		

In FY 24, the County is adopting a tax rate of \$0.8413. The State reassesses all properties on a triennial basis. Statewide "Group 2" reassessments in FY 24 increased by 20.6% over the past three years according to State Department of Assessment and Taxation. In Harford County, assessments in Group 2, which mainly covers the Bel Air area of the County, grew by 16.0% with residential and commercial assessments increasing by 17.1% and 10.4% respectively.

<u>INCOME TAXES</u>	FY 24 Approved	\$311,000,000	40%	of the General Fund
	FY 23 Approved	\$299,775,000	40%	of the General Fund
	\$ growth	\$11,225,000		
	% growth	3.74%		

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 County is expecting very limited growth in income tax for FY 24 over our revised FY 23 estimate as the economy is expected to cool and most likely enter recession. FY 23 income tax is estimated at \$310.0 million, which is \$10.2 million over our adopted budget; however, FY 24 is only expected to yield \$311.0 million. Quarterly distributions are expected to grow by 4% as inflationary wage growth continues, but that growth will be almost entirely offset by a drop in reconciling and final payments from non-wage income. Nevertheless, FY 24 should still mark our fourteenth year of positive growth in income tax, a testament to the County's resilient economy and skilled workforce.

<u>OTHER REVENUES</u>	FY 24 Approved	\$160,945,050	21%	of the General Fund
	FY 23 Approved	\$166,516,500	22%	of the General Fund
	\$ decrease	(\$5,571,450)		
	% decrease	-3.35%		

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

	FY 23 Funding	FY 24 Funding	Change
<u>Recordation Tax</u>	\$17,700,000	\$14,000,000	(\$3,700,000)

In FY 24, we are anticipating \$12.0 million of new recordation tax and \$2.0 million of carryover from the prior year to the General Fund for school debt.

<u>Transfer Tax</u>	\$14,000,000	\$12,500,000	(\$1,500,000)
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In FY 24, we are anticipating \$9.5 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>	\$85,989,504	\$74,072,089	(\$11,917,415)
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Governmental funds report the difference between their assets and liabilities as fund balance. In FY 23, we appropriated \$86.0 million of unassigned fund balance. In FY 24 we have appropriated \$74 million of unassigned fund balance.

<u>All "Other" Revenues combined</u>	\$48,826,996	\$60,372,961	\$11,545,965
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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 23	EXECUTIVE PROPOSED FY 24	CHANGE FY 24 VS. FY 23
<u>GENERAL FUND SUMMARY BY DEPARTMENT:</u>			
COUNTY EXECUTIVE	953,309	1,869,589	916,280
ADMINISTRATION	10,375,763	1,588,902	(8,786,861)
PROCUREMENT	1,179,861	1,500,727	320,866
TREASURY	4,603,205	4,298,882	(304,323)
LAW	2,895,222	2,855,104	(40,118)
PLANNING AND ZONING	4,900,241	4,431,972	(468,269)
HUMAN RESOURCES	3,111,286	7,005,084	3,893,798
COMMUNITY SERVICES	7,025,479	5,866,902	(1,158,577)
HANDICAPPED CARE CENTERS	2,857,792	2,951,795	94,003
HEALTH	4,018,168	4,768,168	750,000
OFFICE OF GOV'T & COMMUNITY RELATIONS	1,519,487	0	(1,519,487)
HOUSING & COMMUNITY DEVELOPMENT	0	2,272,595	2,272,595
INFORMATION & COMMUNICATION TECHNOLOGY	13,627,811	13,823,667	195,856
SHERIFF'S OFFICE	114,035,271	117,743,609	3,708,338
EMERGENCY SERVICES	36,397,702	44,706,644	8,308,942
INSPECTIONS, LICENSES AND PERMITS	4,207,901	3,775,044	(432,857)
PUBLIC WORKS	26,224,428	41,015,613	14,791,185
COUNTY COUNCIL	4,377,176	4,378,696	1,520
JUDICIAL	4,889,894	4,854,954	(34,940)
STATE'S ATTORNEY	9,120,719	9,660,401	539,682
ELECTIONS	3,429,075	3,802,116	373,041
BOARD OF EDUCATION	324,237,657	314,852,402	(9,385,255)
HARFORD COMMUNITY COLLEGE	19,881,806	19,881,806	0
LIBRARIES	20,886,654	20,885,407	(1,247)
PARKS AND RECREATION	12,773,305	12,036,451	(736,854)
CONSERVATION OF NATURAL RESOURCES	986,612	977,524	(9,088)
ECONOMIC DEVELOPMENT	8,659,362	4,924,823	(3,734,539)
DEBT SERVICE	61,616,852	65,208,790	3,591,938
INSURANCE	779,184	899,968	120,784
BENEFITS	3,373,634	3,248,140	(125,494)
MISCELLANEOUS	39,525,144	42,310,225	2,785,081
RESERVE FOR CONTINGENCIES	100,000	100,000	0
 TOTALS:	 752,570,000	 768,496,000	 15,926,000

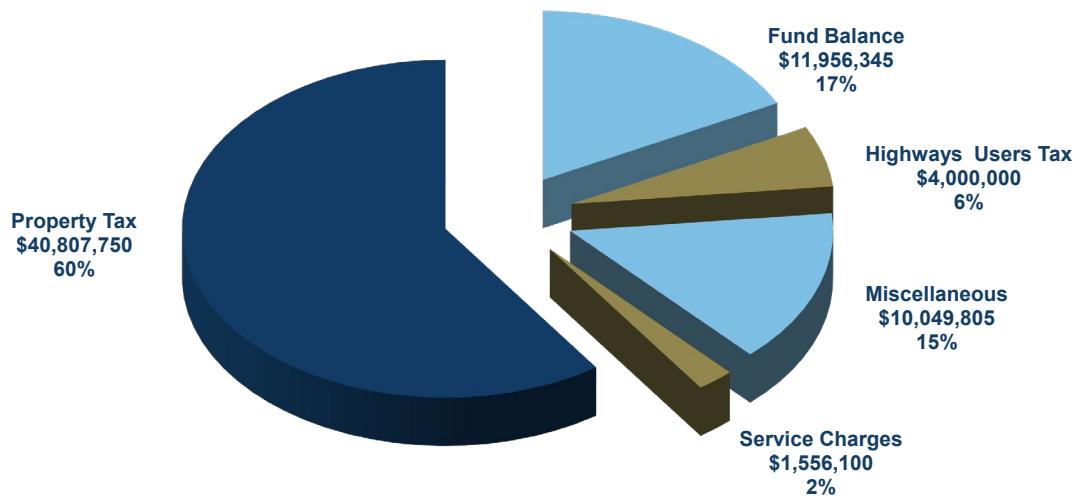
The General Fund realizes an increase of \$15,926,000 a 2% over FY 23

SIGNIFICANT CHANGES:

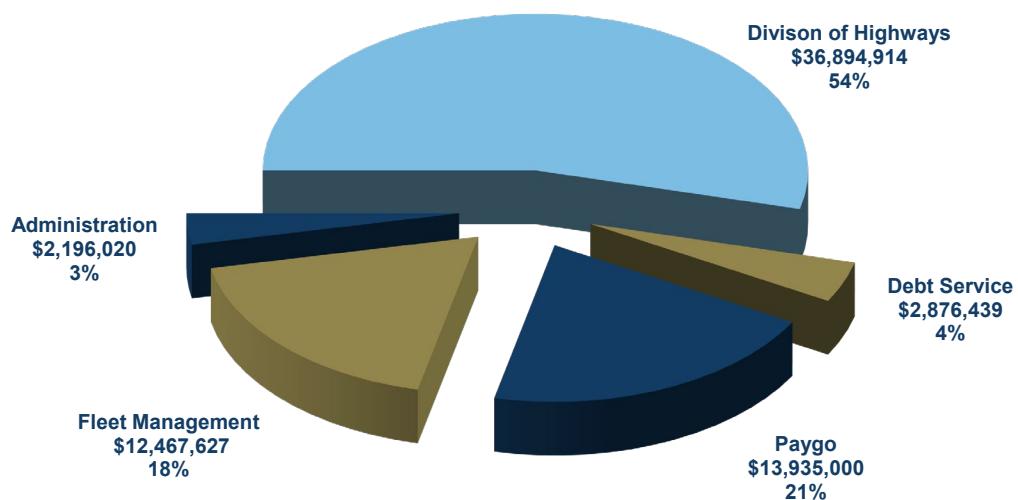
- o Emergency Services budget increases by \$8.3 million (23%), adding 111 new positions in EMS and 17 new 911 dispatchers.
- o Sheriff's Office budget increases for law enforcement & corrections pay scale enhancements (\$4.7 million)
- o Funding included in Human Resources for a conditional, phased-in 3% COLA for all County employees, including Sheriff's Office, State's Attorney's Office, and Judicial system employees.
- o Reallocation of departmental functions by Executive Order led to decreases in Administration, Community Services, Governmental & Community Relations, and Economic Development, and increases in the County Executive's Office, Housing & Community Development, and Public Works.
- o Board of Education funded at \$10 million over state-required Maintenance of Effort, plus an additional \$15 million is included in Miscellaneous for school site acquisition.

FY 2023 - 2024 HIGHWAYS FUND

REVENUES TOTAL APPROVED BUDGET \$68,370,000



APPROPRIATIONS TOTAL APPROVED BUDGET \$68,370,000



<u>FY 23 APPROVED</u>	<u>FY 24 APPROVED</u>	<u>CHANGE</u>
\$62,400,000	\$68,370,000	\$5,970,000

SIGNIFICANT CHANGES:

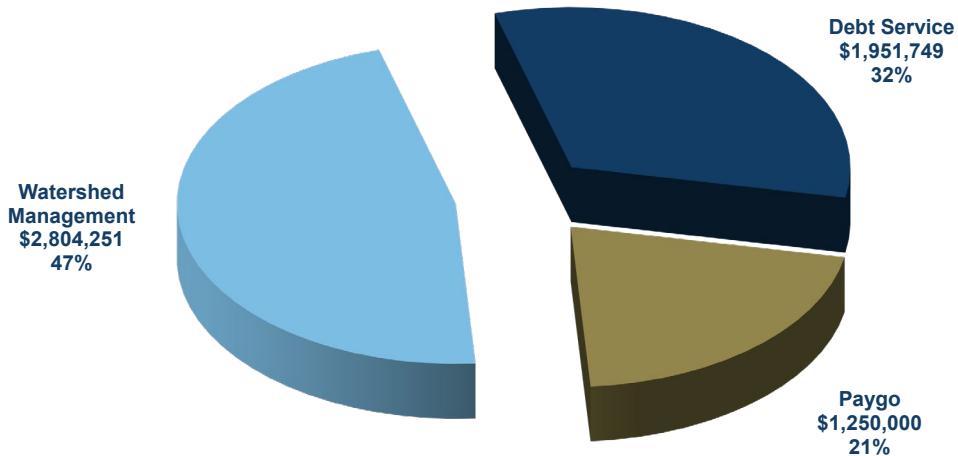
- o Highways maintenance and engineering operating budgets adjusted based on actual spending history
- o An increase in funding for diesel fuel and gasoline in fleet management based on spending & projections
- o An increase in Paygo funding for capital projects for resurfacing, fleet replacement, bridge inspection, guardrails, traffic calming & road safety improvements, and other various roadway improvement projects

FY 2023 - 2024
WATERSHED MANAGEMENT FUND

REVENUES
TOTAL APPROVED BUDGET \$6,006,000



APPROPRIATIONS
TOTAL APPROVED PROPOSED BUDGET \$6,006,000



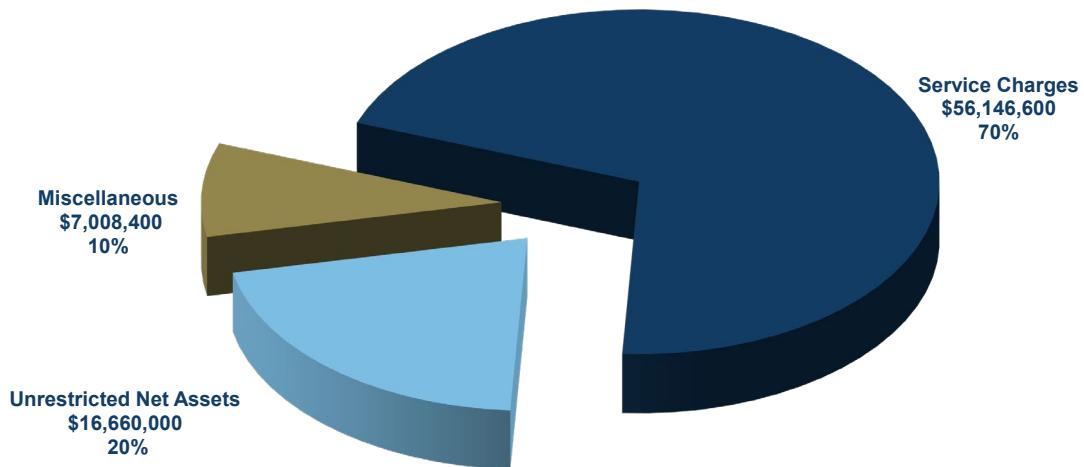
<u>FY 23 APPROVED</u>	<u>FY 24 APPROVED</u>	<u>CHANGE</u>
\$5,750,000	\$6,006,000	\$256,000

SIGNIFICANT CHANGES:

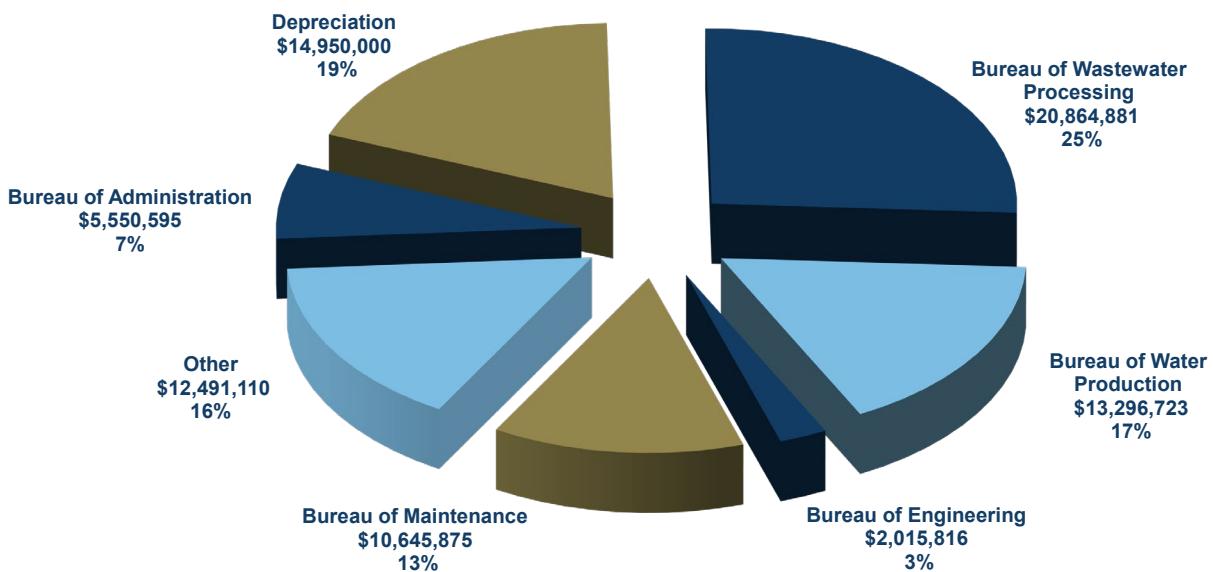
- o Additional funds provided for management and other professional service to assist with watershed management projects and other consulting work
- o Debt Service increases for prior bonded capital projects

FY 2023 - 2024
WATER & SEWER OPERATING FUND

REVENUES
TOTAL APPROVED BUDGET \$79,815,000



APPROPRIATIONS
TOTAL APPROVED BUDGET \$79,815,000



FY 23 APPROVED
\$72,110,000

FY 24 APPROVED
\$79,815,000

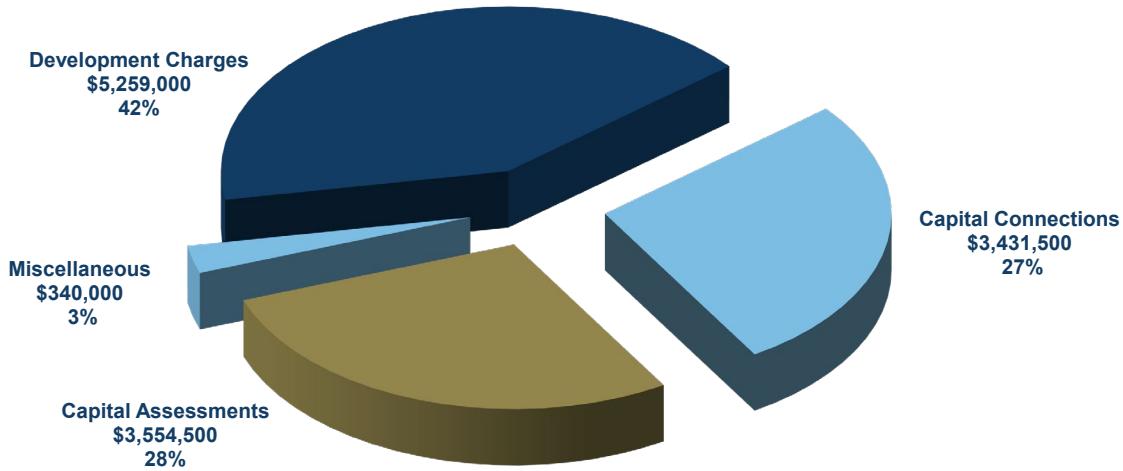
CHANGE
\$7,705,000

SIGNIFICANT CHANGES:

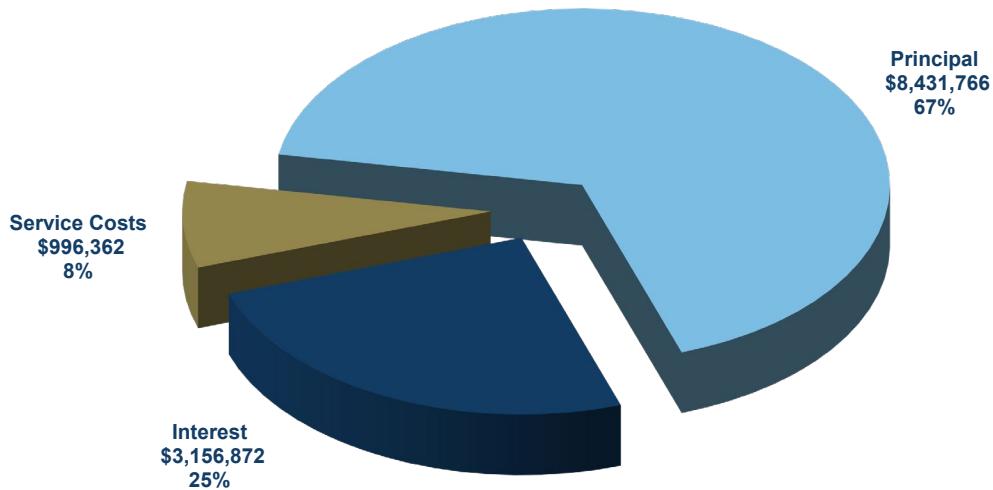
- o Water and sewer operating expenses for maintenance, materials, inspections, etc adjusted based on spending history and projections
- o Increase in Paygo funding for water and sewer capital projects such as replacement of infrastructure, booster stations, infiltration and inflow, pump stations, water & sewer fleet replacement, etc

FY 2023 - 2024
WATER & SEWER DEBT SERVICE

REVENUES
TOTAL APPROVED BUDGET \$12,585,000



APPROPRIATIONS
TOTAL APPROVED BUDGET \$12,585,000



FY 23 APPROVED
\$20,725,000

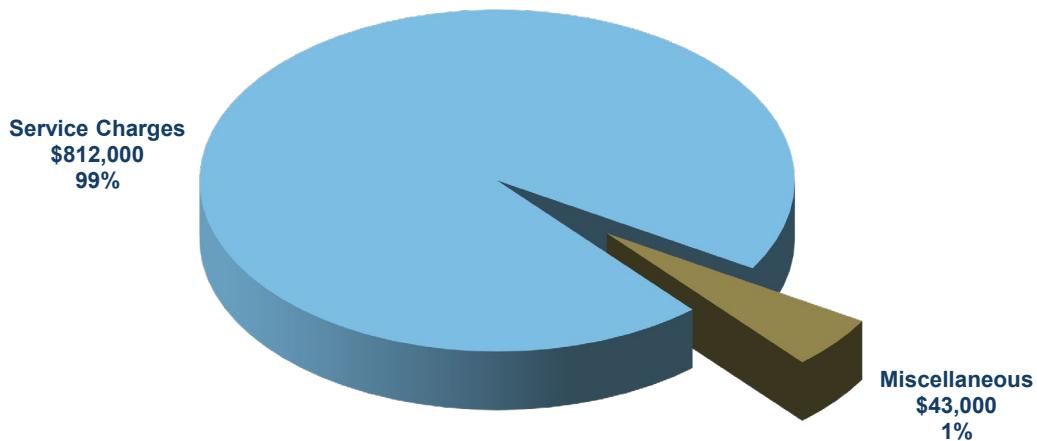
FY 24 APPROVED
\$12,585,000

CHANGE
(\$8,140,000)

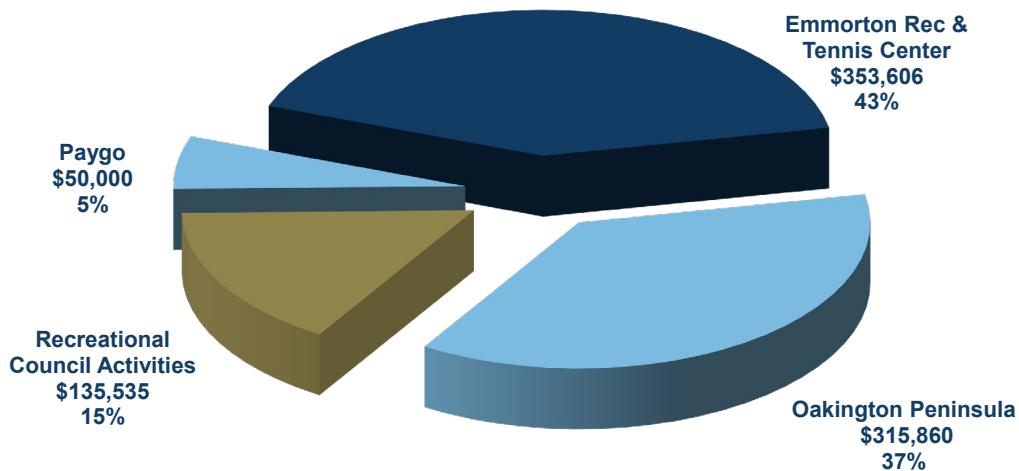
The Water & Sewer Debt Service Fund provides appropriation authority for the payment of principal and interest on long term water and sewer bonds and loans used to finance the capital projects of the County-owned water & sewer system. The decrease in funding for FY 24 is a result of the principal and interest payments adjusted to amounts due on outstanding debt.

FY 2023 - 2024
PARKS AND RECREATION
SPECIAL REVENUE FUND

REVENUES
TOTAL APPROVED BUDGET \$855,000



APPROPRIATIONS
TOTAL APPROVED PROPOSED BUDGET \$855,000



FY 23 APPROVED
\$838,000

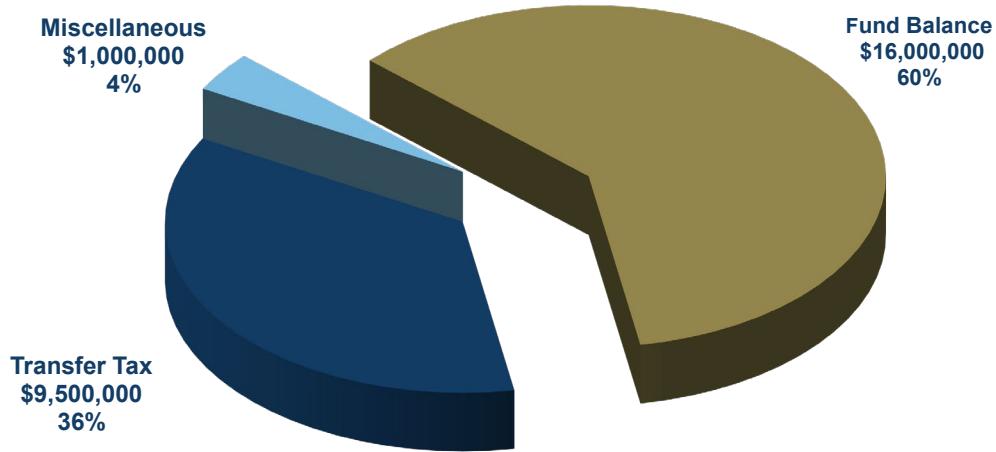
FY 24 APPROVED
\$855,000

CHANGE
\$17,000

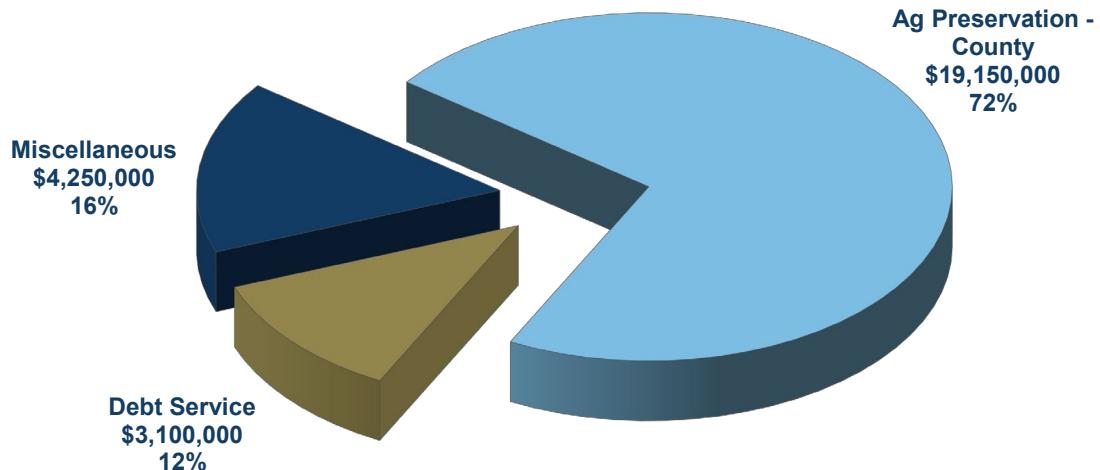
Funding adjusted in parks and recreation special revenue funds based on spending history, revenue trends and projections.

FY 2023 - 2024
COUNTY - AG PRESERVATION

REVENUES
TOTAL APPROVED BUDGET \$26,500,000



APPROPRIATIONS
TOTAL APPROVED BUDGET \$26,500,000

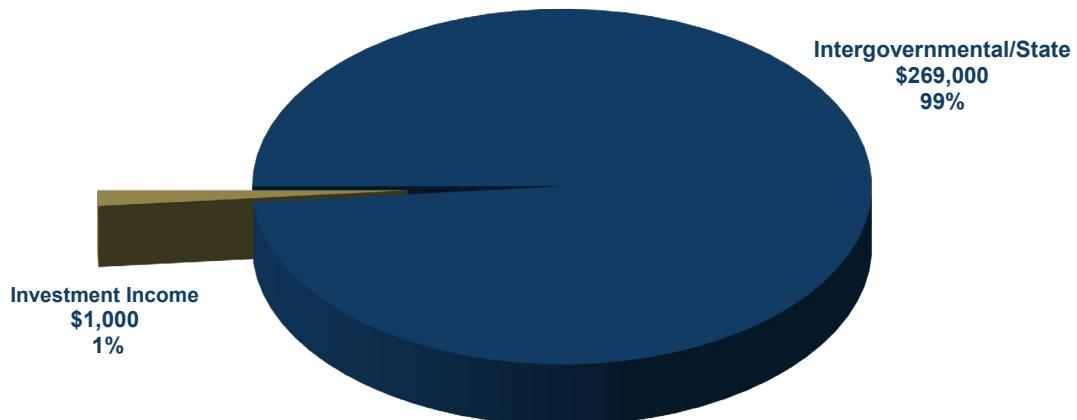


FY 23 APPROVED	FY 24 APPROVED	CHANGE
\$27,000,000	\$26,500,000	(\$500,000)

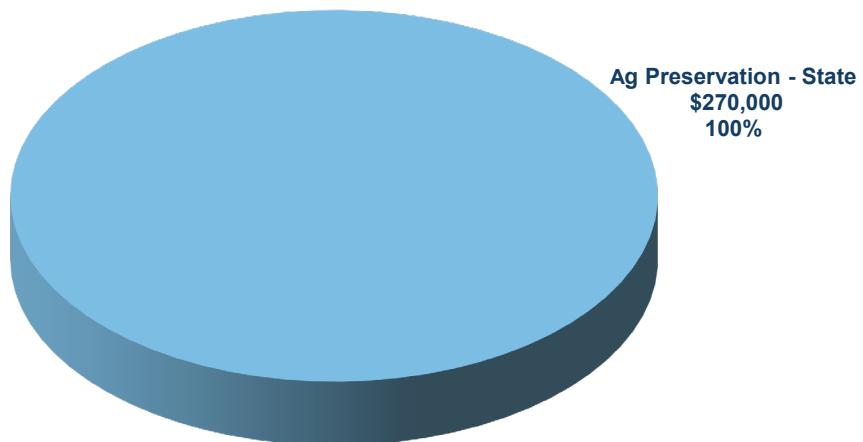
Harford County is committed to Agricultural Land Preservation. An allocation of \$19,150,000 is provided for purchase of Ag Preservation easements, an increase of \$150,000 over the FY 23 budget.

FY 2023 - 2024
STATE - AG PRESERVATION

REVENUES
TOTAL APPROVED BUDGET \$270,000



APPROPRIATIONS
TOTAL APPROVED BUDGET \$270,000

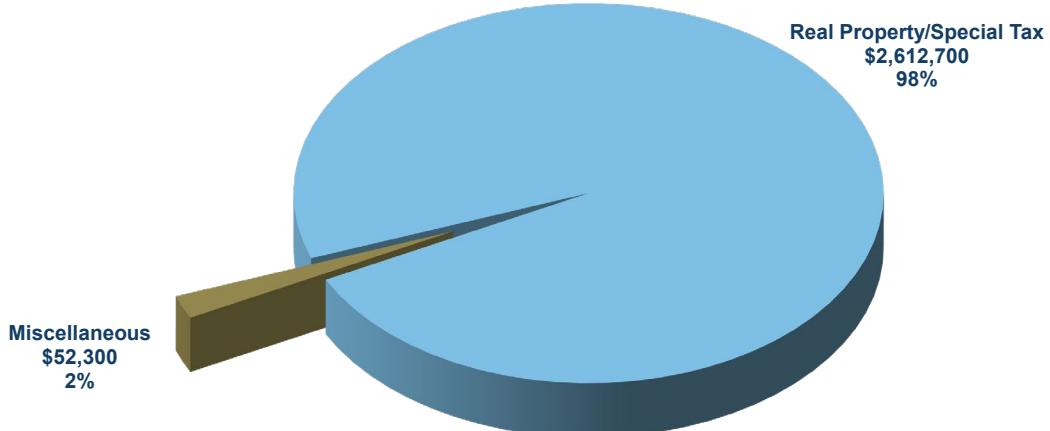


FY 23 APPROVED	FY 24 APPROVED	CHANGE
\$350,000	\$270,000	(\$80,000)

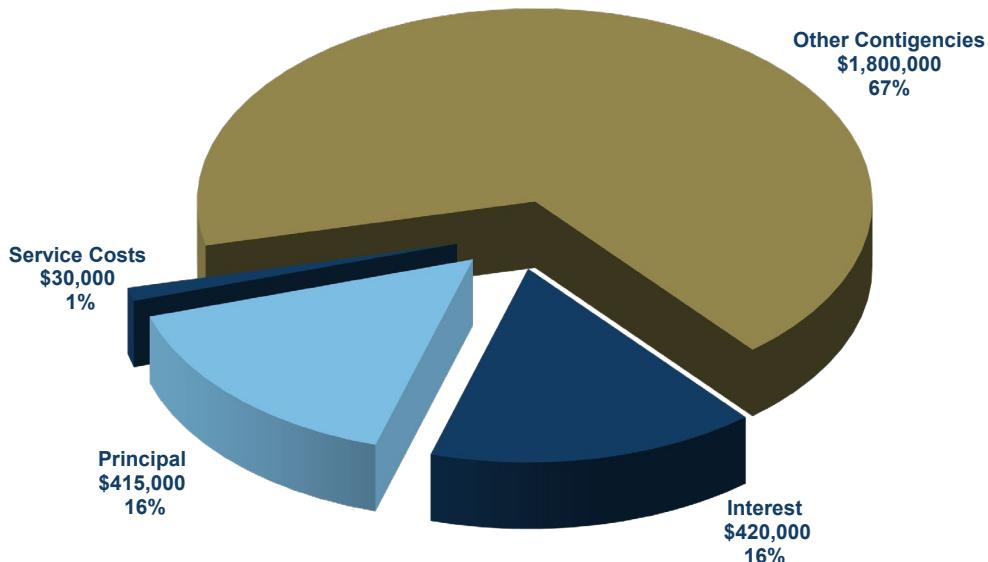
Harford County's Agricultural Program is certified, therefore, the Program can retain 75% of the Agricultural Transfer Tax collected. For FY 24, it is projected that the County's share of the State Agricultural Tax will be \$270,000. The County will use \$30,000 of this revenue to offset the salary and 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 \$240,000.

FY 2023 - 2024
TAX INCREMENT FINANCING

REVENUES
TOTAL APPROVED BUDGET \$2,665,000



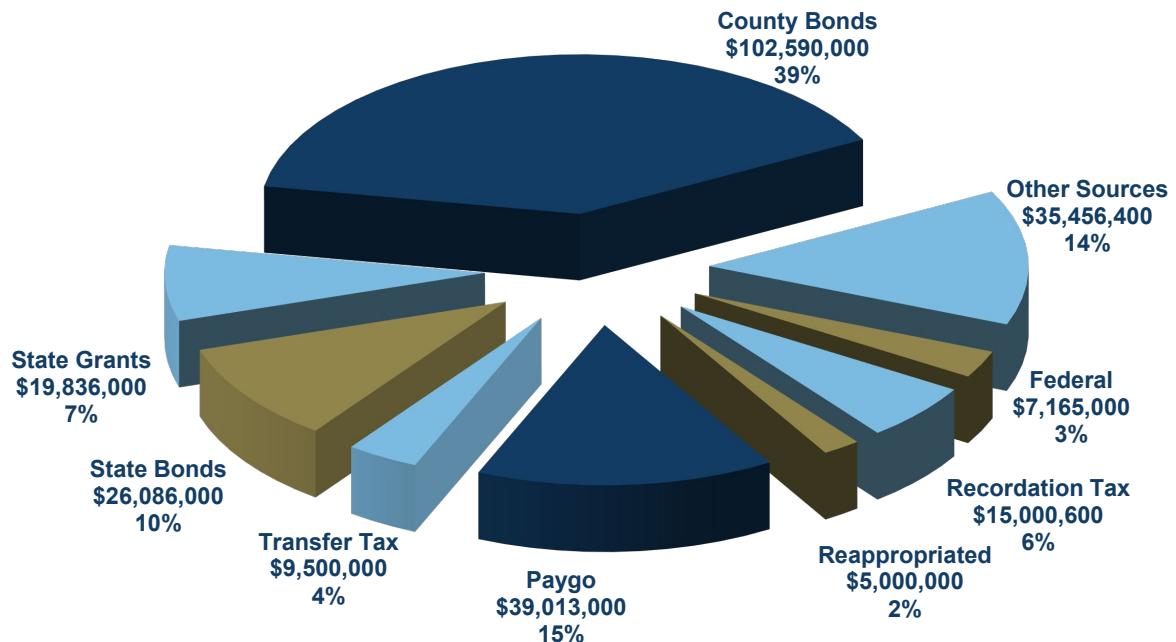
APPROPRIATIONS
TOTAL APPROVED PROPOSED BUDGET \$2,665,000



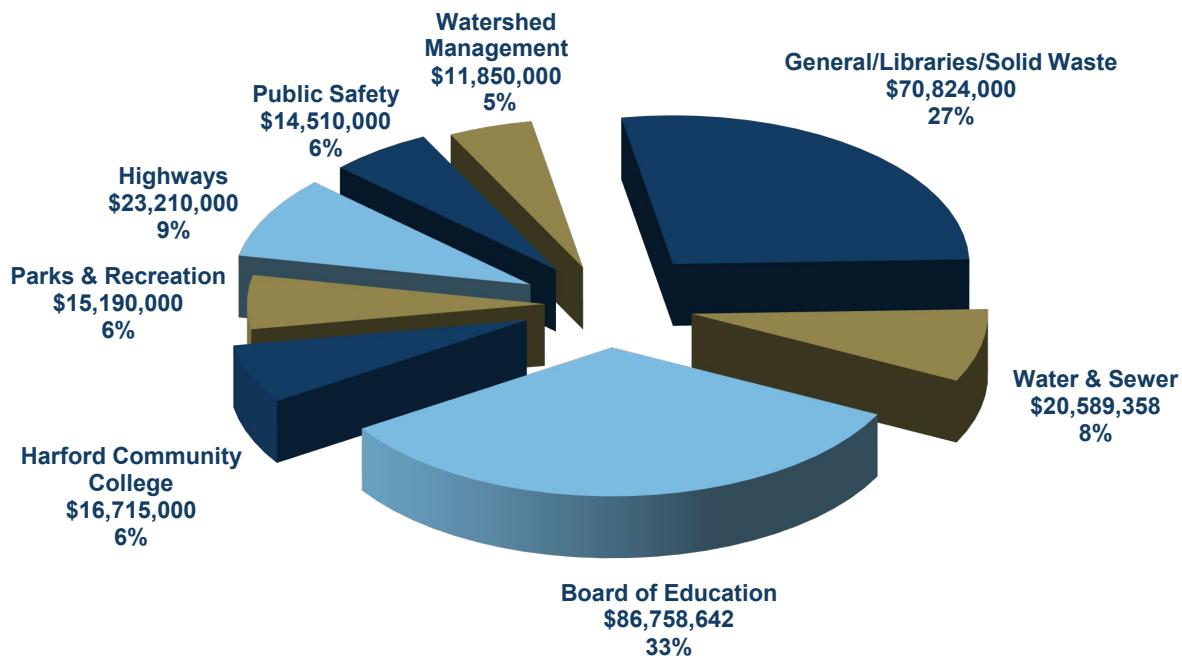
<u>FY 23 APPROVED</u>	<u>FY 24 APPROVED</u>	<u>CHANGE</u>
\$1,902,000	\$2,665,000	\$763,000

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 2023-2024
APPROVED CAPITAL BUDGET
REVENUES
TOTAL BUDGET \$259,647,000**



**APPROPRIATIONS
TOTAL BUDGET \$259,647,000**



FISCAL YEAR 2024
APPROVED CAPITAL BUDGET

The Approved Fiscal Year 20 consists of 149 projects at a total cost of \$259,647,000. 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. Reflected below are some highlights of the FY 24 Capital Budget.

GENERAL CAPITAL:	FY 24 PROJECT BUDGET:	FY 24 FUNDING BREAKDOWN:
<i>Broadband Infrastructure</i> - continued expansion of internet access to unserved rural areas	\$7,820,000	Federal ARPA: \$3,250,000 State Funding: \$4,570,000
<i>Site Acquisition</i> - funding for school site land acquisition	\$11,496,000	County Bonds: \$10,000,000 County Invest. Income \$1,496,400
PUBLIC SAFETY:		
<i>Ambulance Acquisition/Replacement</i> - funding to replace a minimum of two (2) ambulances every year	\$1,000,000	County Paygo \$1,000,000
HARFORD COMMUNITY COLLEGE:		
<i>Chesapeake Welcome Center</i> - capital renovations to the Chesapeake Welcome Center to include a multi-story addition and provide services to the new and returning students as well as the community at large	\$16,715,000	County Bonds \$10,800,000 State Funding: \$5,915,000
BOARD OF EDUCATION:		
<i>Aberdeen MS HVAC Systemic Renovation</i> - replacement of the building's heating system and other various systemic and control features	\$17,087,000	County Bonds: \$7,870,000 State Funding: \$9,217,000
<i>Athletic & Recreation Repairs & Improvements</i> - maintenance, repair, renovation, replacement of athletic & recreational facilities	\$337,000	County Paygo: \$337,000
<i>Harford Academy Major Project</i> - funding to build a new combination school facility for special education and elementary capacity	\$16,000,000	County Bonds: \$16,000,000
<i>Harford Technical HS Limited Renovation</i> - funding to address systemic and programmatic needs	\$20,794,000	County Bonds: \$11,595,000 State Funding: \$9,199,000
PARKS & RECREATION:		
<i>Athletic Field Improvements</i> - major improvements at various natural and synthetic fields throughout the County	\$3,000,000	County Bonds: \$2,500,000 Other funding: \$500,000
<i>Equestrian Center Improvements</i> - repair/renovation to include misting system for the show rings	\$365,000	Recordation Tax: \$365,000
<i>Perryman Park Development</i> - fields, additional parking, walking trails & other amenities south of the DMP site to serve Belcamp/Perryman	\$730,000	Recordation Tax: \$230,000 Program Open Space: \$500,000
<i>Trails & Linear Parks</i> - further acquisition, development, repair of hiker/biker trails, greenways, and linear parks	\$2,000,000	Future Bonds: \$2,000,000
HIGHWAYS:		
<i>Bridges</i> - funding for 14 bridge projects	\$8,050,000	
<i>Roads</i> - funding for 11 road projects	\$2,410,000	
<i>Resurfacing</i> - one resurfacing roadways project	\$9,325,000	
<i>Miscellaneous</i> - including fleet, facilities repair, computer refresh, etc.	\$3,425,000	
WATER & SEWER:		
<i>Water</i> - funding for 15 water projects including water main replacements, water infrastructure replacements, booster station, and switchgear replacement	\$12,838,620	
<i>Sewer</i> - funding for 11 sewer projects including pump station and sewer infrastructure replacements, and improvements at the Sod Run Facility	\$4,000,738	
<i>Miscellaneous</i> - including fleet replacement, facilities repair, & computer refresh	\$3,750,000	

HARFORD COUNTY, MARYLAND
APPROVED BUDGET IN BRIEF
FISCAL YEAR 2023-2024

ROBERT G. CASSILLY, COUNTY EXECUTIVE

Director of Administration
Robert McCord

Office of Budget and Management
Kimberly Spence, Chief

Benjamin Lloyd, Senior Budget Analyst
Susan McCracken, Budget Analyst
Christen Sullivan, Senior Budget Analyst
William T. Watson, Senior Budget Analyst

Treasurer
Robert Sandlass

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