



HARFORD COUNTY

BUDGET IN BRIEF



APPROVED
FISCAL YEAR 2025

ROBERT G. CASSILLY, COUNTY EXECUTIVE

HARFORD COUNTY, MARYLAND

**APPROVED BUDGET IN BRIEF
FISCAL YEAR 2024-2025**

ROBERT G. CASSILLY, COUNTY EXECUTIVE

**Director of Administration
Robert McCord**

**Office of Budget and Management
Kimberly Spence, Chief**

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

**Treasurer
Robert Sandlass**

HARFORD COUNTY COUNCIL

**Council President
Patrick S. Vincenti**

**Dion F. Guthrie - District A
Aaron D. Penman - District B
Tony "G" Giangiordano - District C
James Reilly - District D
Jessica Boyle-Tsottles - District E
Jacob Bennett - District F**

**Harford County Government
Office of Budget and Management
220 South Main Street
Bel Air, MD 21014
410-638-3129**

July, 2024



ROBERT G. CASSILLY

Harford County Executive

June 13, 2024

Coming into office last year, we faced a very troubling financial picture. Excessive spending by the prior administration had been financed with \$90M from our savings. We responded with a fiscally responsible budget that met intense opposition from those determined to continue irresponsible and unsustainable spending above levels recommended by the Harford County Spending Affordability Committee and other independent financial advisors. Time has proven our critics very wrong. Our prudent fiscal policies have been vindicated and the continuation of those policies is essential to our county's long-term success.

A year later, we are once again undertaking the difficult yet necessary task of creating a county budget. We now face a new and unanticipated fiscal challenge. While last year our focus was on reducing excessive spending, this year our new challenge is a substantial reduction in tax revenue available to operate the state and county governments. The reasons for our state's current predicament are open to debate but the fact of the reduction in revenue is not.

At the state level, we must reconsider policies that have raised Maryland's minimum wage to the highest in the nation and placed us among the top five worst tax states in the nation. Such policies are a serious drag on our economy. At the same time, state spending mandates for the Blueprint education plan are straining local budgets statewide.

At the county level, our choices in responding to these challenges are clear. We can hold the line on spending and increase government efficiencies, or we can raise taxes. I do not support a tax increase. Our county's long-term fiscal success depends on retaining and attracting good businesses and taxpayers. Burdensome tax increases will do neither. They would produce short-term revenue gains, but at the expense of long-term fiscal strength.

Just as you all do, the government must live within its means and our budget for fiscal year 2025 continues on the path of fiscal responsibility and long-term financial health.

Overall, the approved \$780,108,000 general fund operating budget is relatively flat, with an increase of 1.5%, and no change in tax rates.

Areas where the budget is increased are offset by reductions and efficiencies elsewhere, including line-item cuts within county departments, leaving some open positions unfilled, and eliminating positions through a retirement incentive. A salary increase comprised of a 1% COLA and \$1,000 for county employees is funded through such measures.

We are still using our savings to supplement ongoing operations, but we are using less of it each year. The \$60 million structural deficit my administration faced coming into office is cut nearly in half in FY25. Our unassigned fund balance is proposed to be down to \$2.3M as of June 30, 2025.

Operating budget increases are mainly for public safety as we continue strengthening our emergency medical services, funding competitive salaries for law enforcement, and providing vital resources for the health department. The budget for information and communication technology increases due to the rising cost of software, which helps to improve overall operational efficiency.

Other notable changes in county departments reflect internal reorganizations that have a nominal or net-zero effect.

Major agencies that we help to fund - the public schools, libraries, and community college – have each accumulated reserves from prior years of taxpayer funding. They can use these funds and find efficiencies to pay for spending they believe is necessary above the amounts provided by this budget and by the state. Except for K-12 education, county operating funding for these agencies is flat in FY25.

At \$321,352,402, funding for Harford County Public Schools is by far the largest component of the county budget and far exceeds the maintenance of effort amount required by the state under the Blueprint. As we have been doing all year, we will continue working with the school system on ways to share and/or reduce costs so that savings can be directed to the classroom.

Major capital projects for schools include continued funding for the new Homestead Wakefield Elementary School; planning for a new combination elementary school/Harford Academy, which serves children with severe disabilities, and significant upgrades to Harford Technical High School.

Our other major capital projects include planning funds for a Joppatowne activity center and a 1,200+ acre waterfront park on the Oakington Peninsula between Aberdeen and Havre de Grace.

In closing, I would like to thank my budget team and all county employees for helping to create a responsible spending plan that meets our needs and does not demand more from Harford County taxpayers.

Very truly yours,



Robert G. Cassilly

Budget highlights appear below:

No increase in taxes

Triple AAA bond rating retained

Record level funding for public safety

1% COLA and step increase for law enforcement and corrections deputies

1% COLA and \$1,000 merit increase for eligible county government employees;
equivalent increases for State's Attorney and Circuit Court employees

Funding for 4 SRO's added to Sheriff's Office budget during FY 24 urgently needed for
schools in Aberdeen

Funding for 8 positions added to Department of Emergency Services
during FY 24 for an additional ambulance crew

Eliminated 11 positions in county departments through a retirement incentive

24 vacancies frozen for last quarter of FY 24 and only partial- or half-year funding for FY 25

Aside from public safety agencies, most departments held flat or funding was reduced for FY 25

Investments in Information and Communications Technology for software programs to support
efficiency in government agencies

Board of Education funding increases by \$6,500,000, far above required Maintenance of Effort level

Public Libraries and Harford Community College funding held flat for FY 25

Health Department funding increased by 5%, offset by increased fee revenue

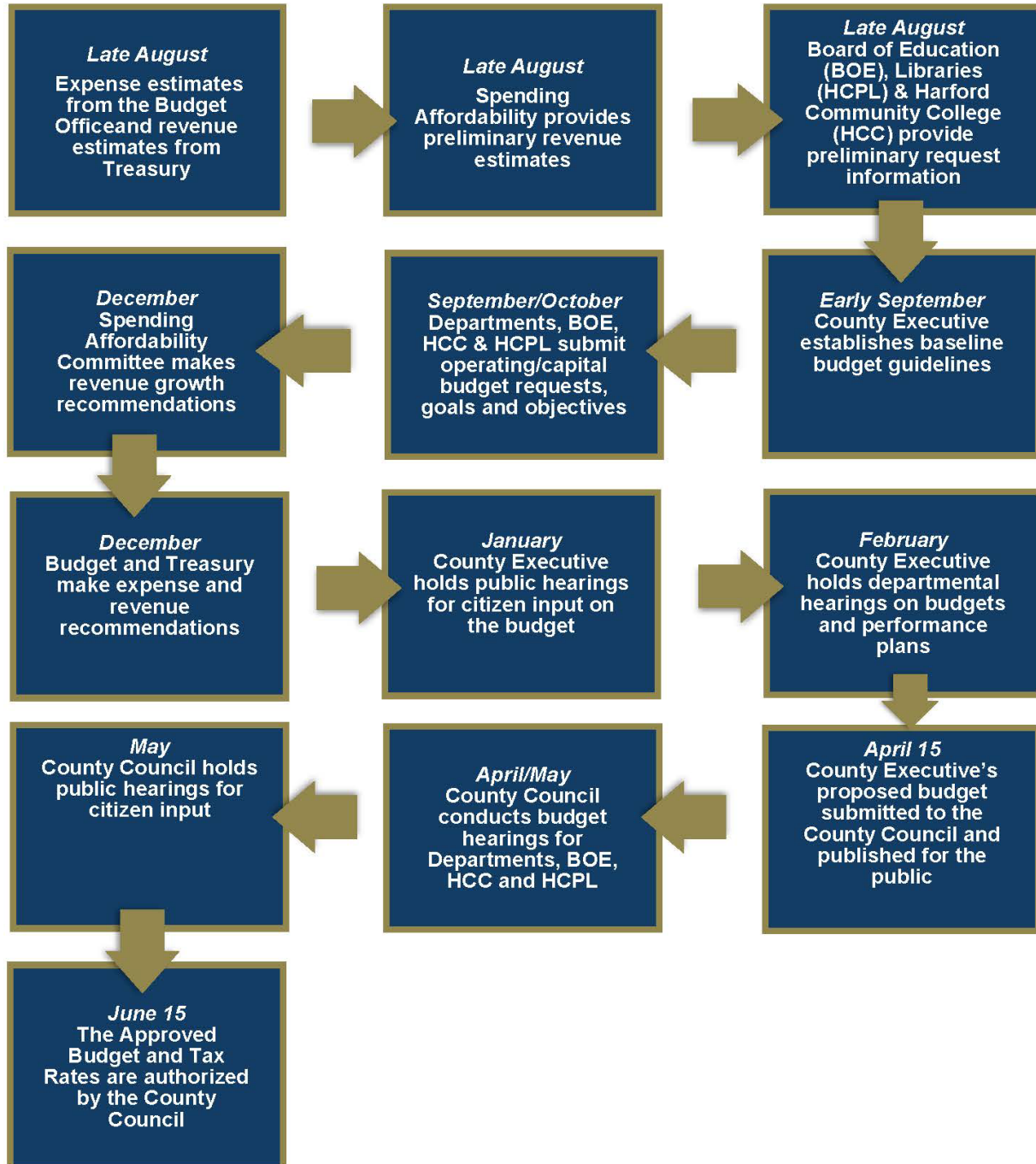
Capital Projects

Sheriff's Office Body Worn Cameras, In-Car Cameras, and Mobile Data Terminal Replacement	\$1,554,000
Sheriffs Fleet Replacement	\$1,530,000
Riverside Fire & EMS Station - to complete construction	\$4,000,000
Whiteford VFC New Station - design funds	\$1,000,000
Mobile/Portable Radio System Upgrade	\$5,000,000
Homestead Wakefield ES Major Project	\$23,125,000
Harford Tech HS Limited Renovation Project	\$17,812,000
Aberdeen MS HVAC Systemic Renovation	\$17,087,475
Blueprint Facility Program	\$1,000,000

Athletic Fields	\$2,500,000
Regional Parks	\$2,000,000
Multipurpose Recreational Facilities	\$1,150,000
Joppatowne Community Center	\$1,000,000
Trails and Linear Parks	\$750,000
Equestrian Center Improvements	\$500,000
Highways:	
Abingdon Road Bridge over CSX	\$11,300,000
Resurfacing	\$9,525,000
Woodley Road Extension to MD 715	\$4,000,000
Bridge & Culvert Rehabilitation	\$1,750,000
Aldino Stepney/Gilbert Tar & Chip to Asphalt	\$1,310,000
Boggs Road Bridge	\$1,300,000
Stepney Road at Rt 7 Intersection Improvements	\$300,000
Bel Air S. Parkway at Blue Spruce Road Improvements	\$300,000
Grafton Shop at Rt 23 Intersection Improvements	\$150,000
Water & Sewer:	
Bush Creek Pumping Station	\$11,000,000
Sod Run Facility Improvements	\$1,400,000

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.

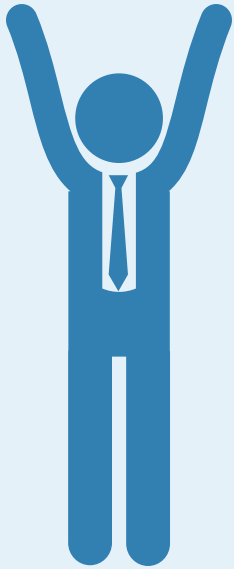


HARFORD COUNTY Economic Statistics Report

LAST UPDATED
May 17, 2024

Compiled by the Department of Economic Development

Labor Statistics



2.6% HARFORD COUNTY
Unemployment Rate 03/24

Source: MD DLLR

2.9% MARYLAND
Unemployment Rate 03/24

Source: MD DLLR

3.8% UNITED STATES
Unemployment Rate 03/24

Source: US BLS

68.9% In-Commute Jobs

31.1% Out-Commute Jobs

Source: ACS 2022 (Table S0801)

\$1,253

Harford County
Annual Average
Wage/Week - Q42022

Source: U.S. BLS

Harford County Demographic Profile

Source: United States Census Bureau 2022

Total
Population
263,867



\$98,495

2021 median
household income
32.7% higher than the
national level

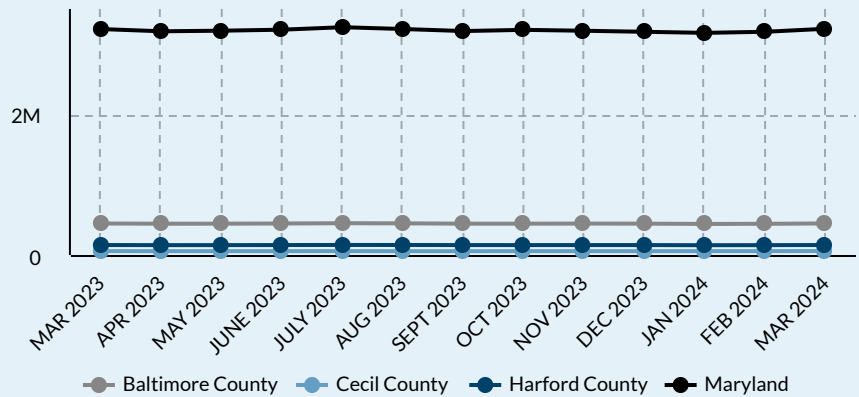
Per
Capita
Income
\$45K

Median
Age
40.8

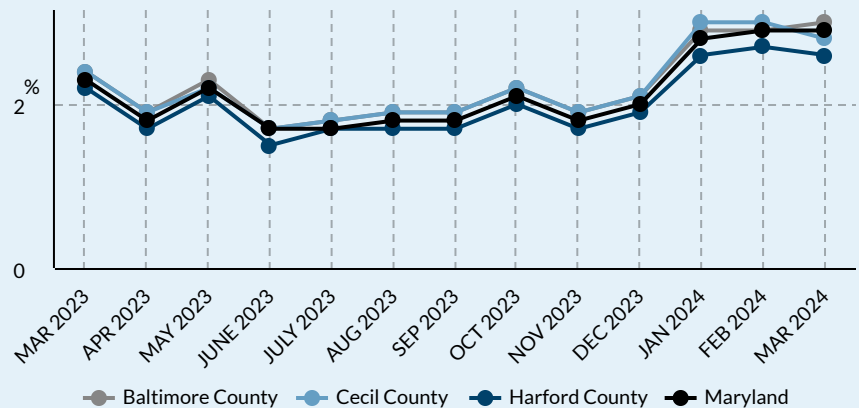
Population by Age Range

- Under 5: 5.3%
- 5 - 17: 22%
- 18 - 64: 55.2%
- Over 65: 17.5%

LABOR FORCE



UNEMPLOYMENT RATE



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

2023 Data Estimates

CAPITAL INVESTMENT
\$152M

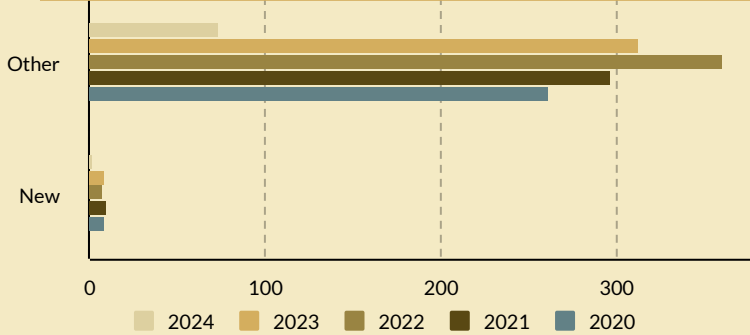
SQUARE FOOTAGE
1.4M

NEW JOBS
800

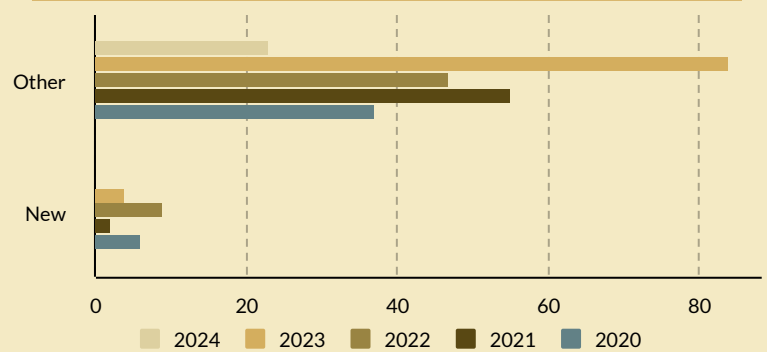
Please note: the Economic Development Office is dedicating time and resources to accuracy of this data set.

2020 - April 2024

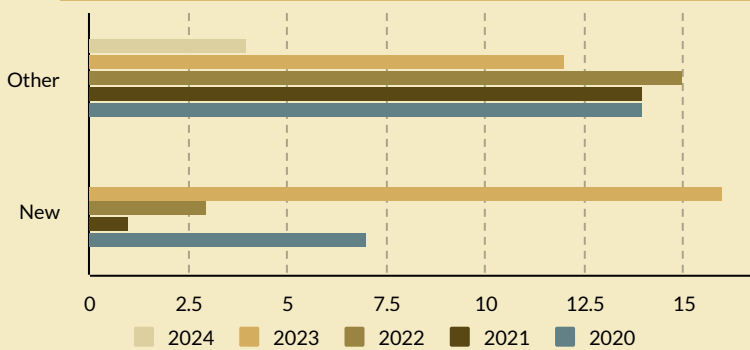
COMMERCIAL



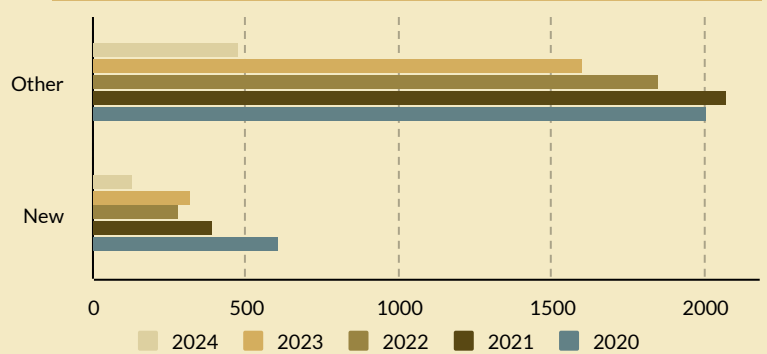
MANUFACTURED



MULTI-FAMILY



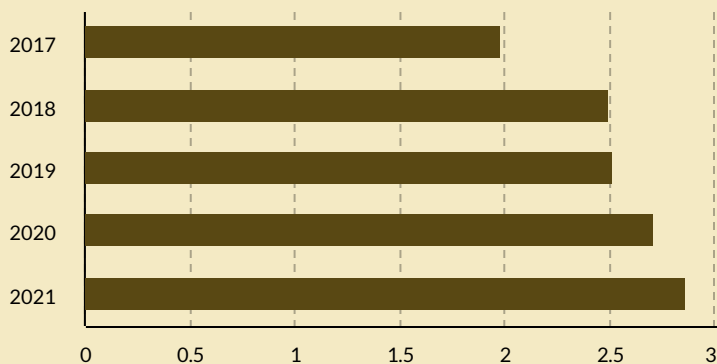
RESIDENTIAL



Ongoing Growth

RETAIL EXPENDITURES

IN BILLIONS OF DOLLARS



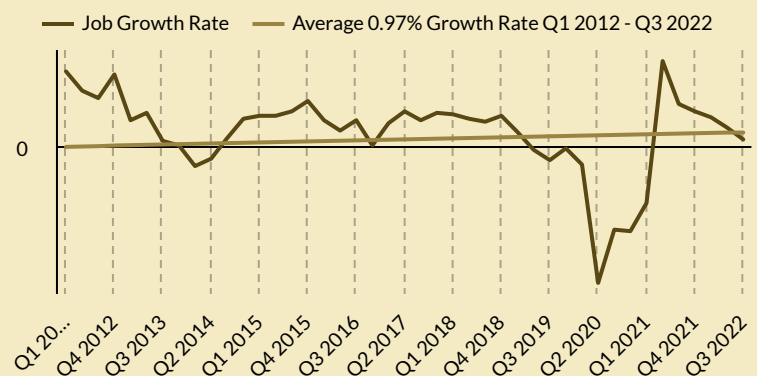
Harford County households spent an average of \$29,000 on retail goods in 2021, 23% above the national average.

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

Click or scan here to see our Fast Facts



JOB GROWTH RATE



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

Real Estate



RETAIL

Vacancy Rate **4.8%**

Rental Rate/Sq Ft **\$22.38**

Inventory Sq Ft **12.7M**



OFFICE

Vacancy Rate **12.7%**

Rental Rate/Sq Ft **\$23.65**

Inventory Sq Ft **5.9M**



INDUSTRIAL

Vacancy Rate **6.3%***

Rental Rate/Sq Ft **\$10.21**

Inventory Sq Ft **28.6M**

Source: CoStar Realty Information - as of May 2024

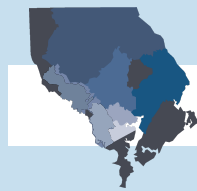
*Availability Rate: **8.8%**

It's important to note that "vacant" industrial space does not mean "available for rent", thus the above addendum.

QUESTIONS?

Contact Bonnie Barresi

**Economic Development
Business Development Associate**
bebarresi@harfordcountymd.gov
410-638-3059



Harford County - Residential

% CHANGE 1YR

Units Sold	225	▲10%
Median Sale Price	\$385,000	▲12%



Aberdeen, Belcamp, Havre de Grace

% CHANGE 1YR

Units Sold	65	▲8%
Median Sale Price	\$333,000	▲18%



Abingdon

% CHANGE 1YR

Units Sold	30	▲30%
Median Sale Price	\$330,500	▲11%



Bel Air

% CHANGE 1YR

Units Sold	52	<10%
Median Sale Price	\$499,500	▲17%



Edgewood

% CHANGE 1YR

Units Sold	19	▲%
Median Sale Price	\$260,000	▲16%



Fallston

% CHANGE 1YR

Units Sold	10	▲11%
Median Sale Price	\$504,500	<7%



Forest Hill, Jarrettsville, North

% CHANGE 1YR

Units Sold	25	<14%
Median Sale Price	\$480,000	<4%



Joppa

% CHANGE 1YR

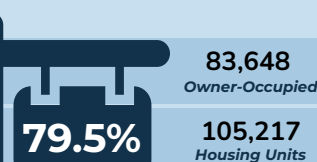
Units Sold	21	▲%
Median Sale Price	\$303,500	▲21%



**Median Gross Rent
in Harford County**

*\$130 less than
state median*

Source: U.S. Census Bureau, 2022



Homeownership Rate
12.2% more than state rate

OTHER NEWS IN HARFORD COUNTY

Healthcare

*The University of Maryland Upper
Chesapeake Health Center in
Aberdeen opened on February 6.*

Defense Events

*Cybersecurity Maturity Model
Certification Event June 4, 2024*

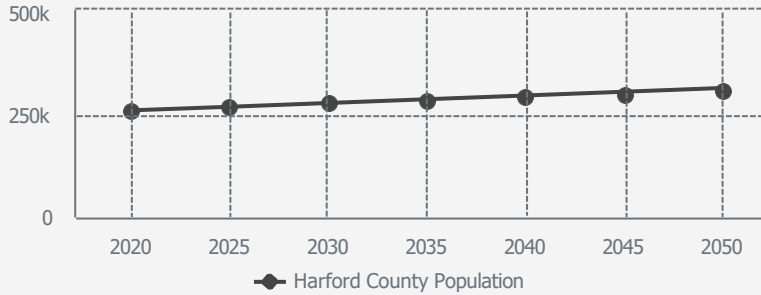
Business Navigation

*HCG has a new Business Navigator
to liaise between agencies to
resolve development issues.*

Projected Growth

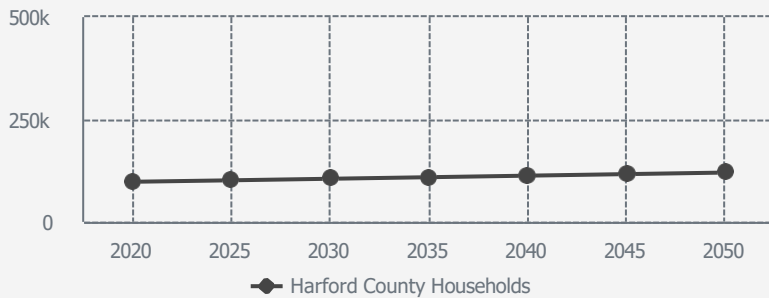
Source: Baltimore Metropolitan Council, 2020

PROJECTED POPULATION



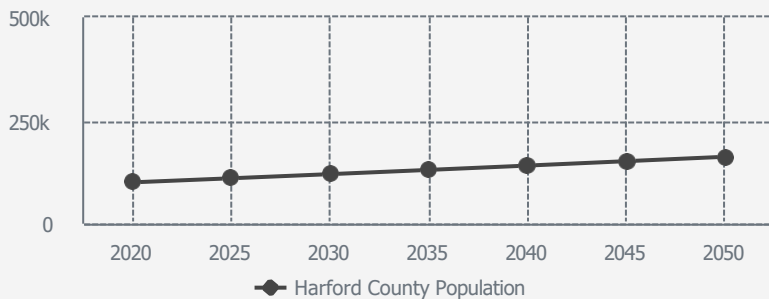
Source: Baltimore Metropolitan Council, 2020

PROJECTED HOUSEHOLDS



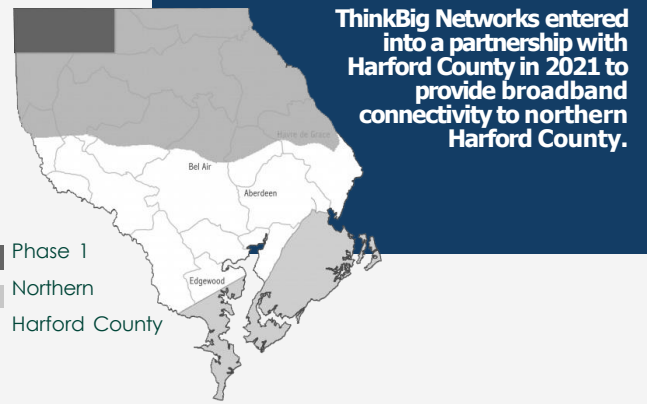
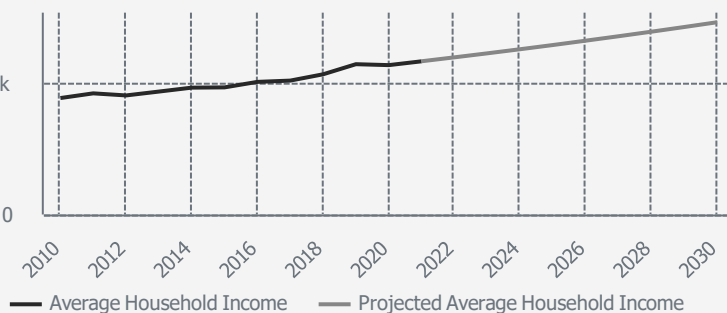
Source: Baltimore Metropolitan Council, 2020

PROJECTED EMPLOYMENT

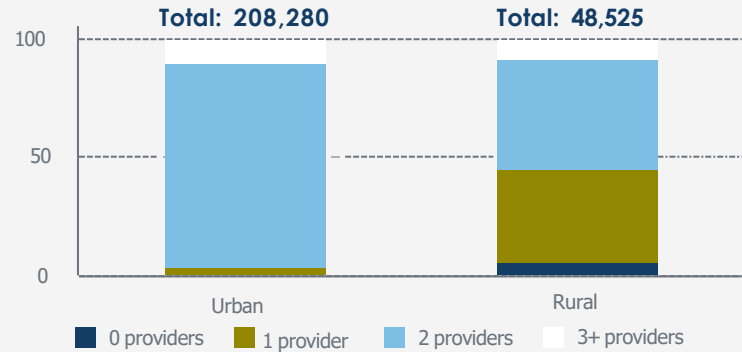


PROJECTED INCOME GROWTH

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



RESIDENTIAL BROADBAND



Source: <https://broadbandmap.fcc.gov/>

PARAMETERS

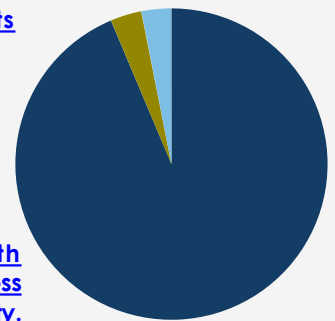
Technology: ADSL, Cable, Fiber, Fixed Wireless, Satellite, and Other
Speed: $\geq 100/10$ Mbps
Date: June 2021

More than 8,000 residents were without reliable internet in 2020.

With internet (93.68%)
Without internet (3.23%)
Without a computer (3.09%)



ThinkBig's work with the county will address that entire disparity.



Source: 2020 ACS 5-Year Estimates
Table B28008

PROJECTED GDP GROWTH

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

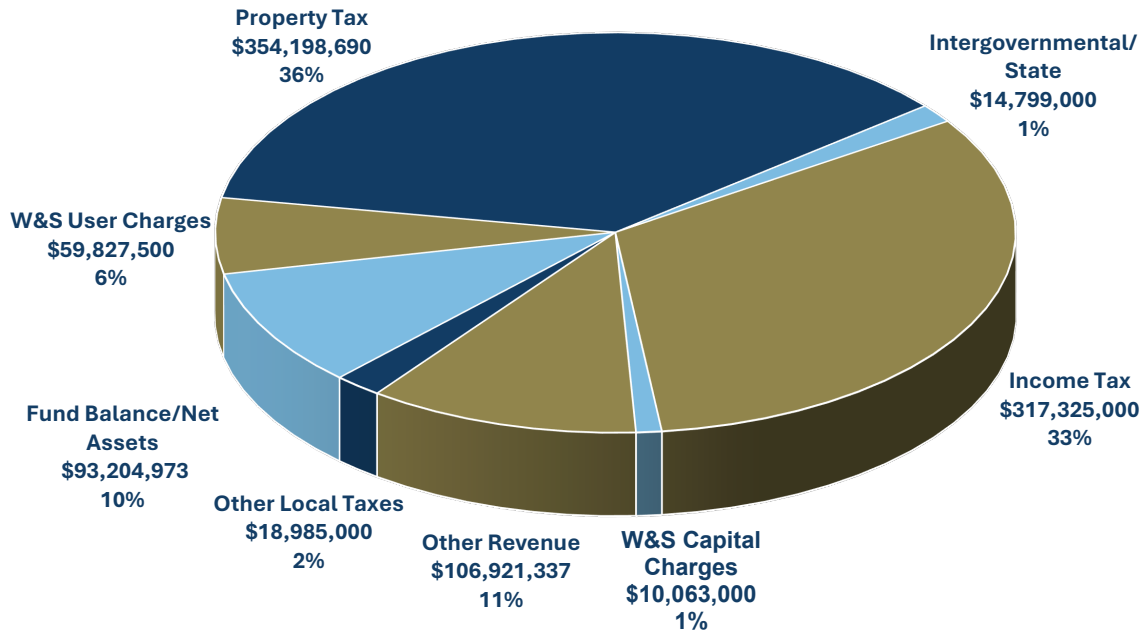


HARFORD COUNTY
TOTAL FY 25 APPROVED BUDGET ALL FUNDS
\$1,238,952,500

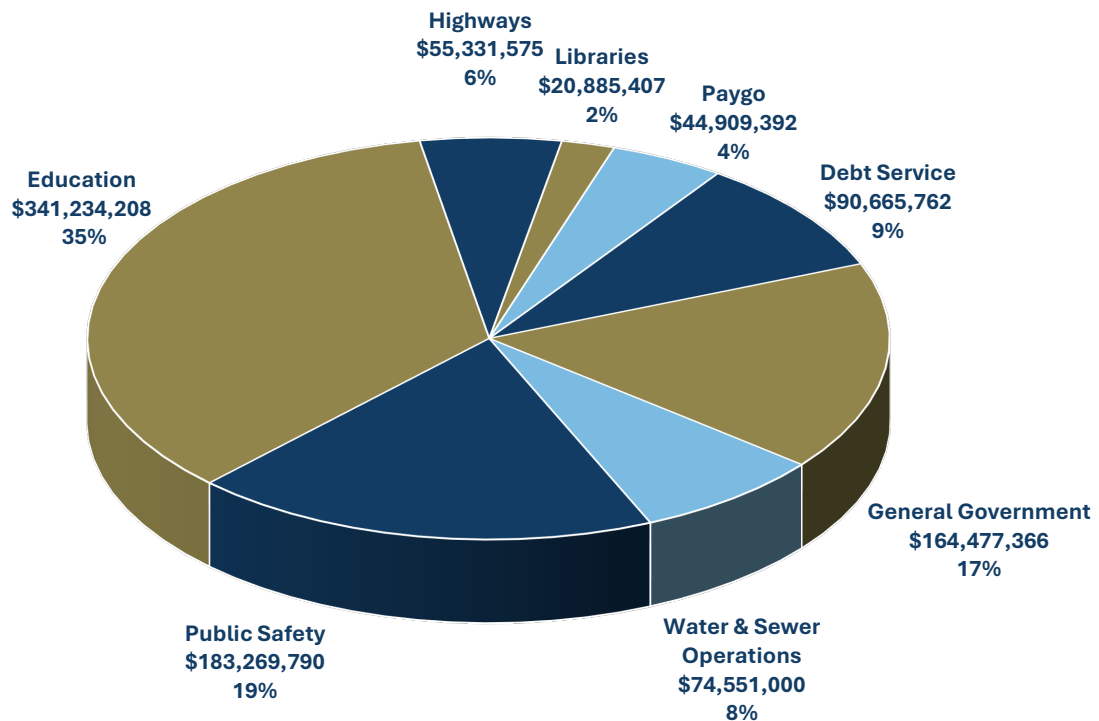


ALL FUNDS OPERATING BUDGETS
Fiscal Year 2024 - 2025
TOTAL APPROVED BUDGET \$975,324,500

REVENUES



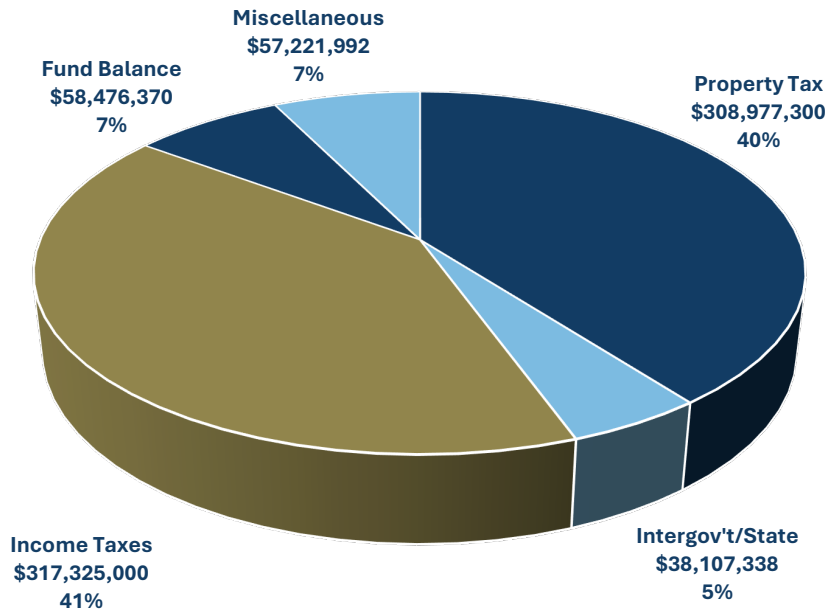
APPROPRIATIONS



GENERAL FUND REVENUES

Fiscal Year 2024 - 2025

TOTAL APPROVED BUDGET \$780,108,000



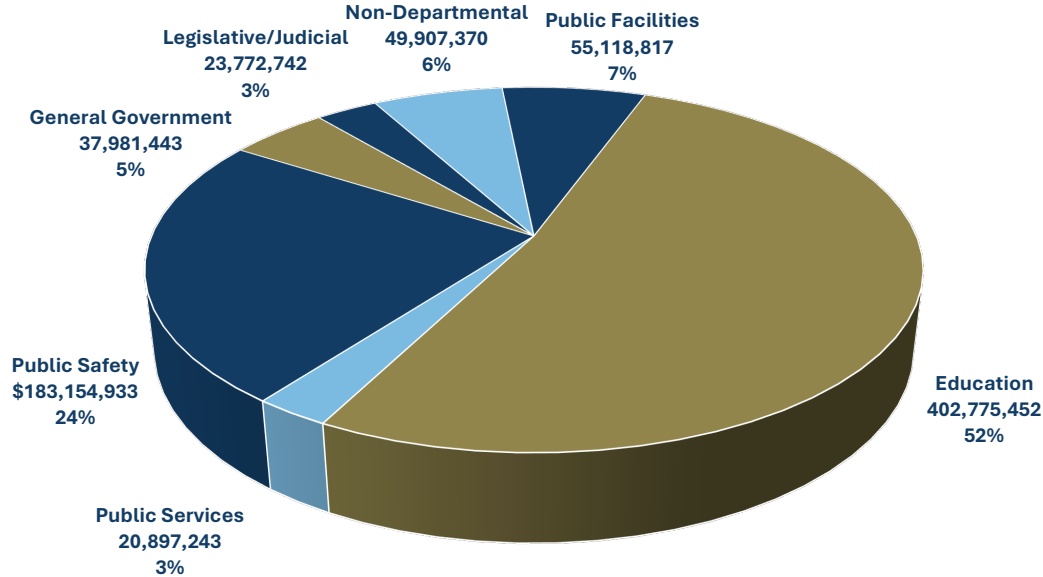
FY 2025 APPROVED GENERAL FUND REVENUE BREAKDOWN

PROPERTY TAXES:	40%	308,977,300	INCOME TAX	41%	317,325,000
Real & Personal	316,245,000				
Deductions	(7,267,700)				
MISCELLANEOUS:	7%	57,221,992	INTERGOV'T/STATE:	5%	38,107,338
Other Taxes	6,410,000		Intergovernmental	9,268,000	
Service Charges	36,276,050		Intra-County	2,200,708	
Fines & Forfeitures	252,000		Pro Rata	7,968,630	
Miscellaneous Revenues	1,083,976		Recordation	10,670,000	
Investment Income	7,682,066		Transfer	8,000,000	
Licenses & Permits	5,517,900				
			FUND BALANCE	7%	58,476,370

TOTAL GENERAL FUND REVENUES

780,108,000

GENERAL FUND APPROPRIATIONS
Fiscal Year 2024 - 2025
TOTAL APPROVED BUDGET \$780,108,000



**FY 2025 APPROVED GENERAL FUND
APPROPRIATION BREAKDOWN**

GENERAL GOVERNMENT: 4.9%		37,981,443	EDUCATION: 52.5%		409,275,452
County Executive		1,865,688	Public Schools:	46.9%	365,922,230
Administration		1,538,426	Board of Ed. Operating		321,352,402
Procurement		1,258,395	Board of Ed. Debt Service		35,794,971
Treasury		4,332,450	Board of Ed. PAYGO		3,726,000
Law		3,291,779	HCSO School Safety Division		5,048,857
Human Resources		5,787,738			
Info. & Communications Tech.		15,765,007			
Planning & Zoning		4,141,960			
PUBLIC FACILITIES: 7.1%		55,118,817	Harford Community College:	2.9%	22,267,815
Public Works		40,967,967	HCC Operating		19,881,806
Natural Resources		1,031,829	HCC Debt Service		2,386,009
Parks & Recreation		12,169,021			
Solid Waste PAYGO		950,000	Harford County Public Library:	2.7%	21,085,407
			HCPL Operating		20,885,407
			HCPL PAYGO		200,000
PUBLIC SAFETY: 23.5%		183,154,933	LEGISLATIVE/JUDICIAL: 3.1%	23,817,742	
Sheriff		121,417,554	County Council		4,609,165
Emergency Services		17,621,910	Judicial		5,085,101
Emergency Medical Services		22,922,130	State's Attorney		10,273,657
Volunteer Fire Companies		10,922,333	Elections		3,849,819
Inspections, Licenses & Permits		4,150,006			
Humane Society		1,187,000			
Public Safety PAYGO		4,934,000	NON-DEPARTMENTAL: 6.4%	49,907,370	
PUBLIC SERVICES: 2.7%		20,852,243	Insurance		912,456
Housing & Community Services		7,931,323	Benefits		3,166,850
Health		5,006,577	Contingency Reserve		100,000
Handicapped Centers		2,970,921	Capital Improvements (General)		4,342,000
Economic Development		4,943,422	Grant Matches		7,265,392
			Debt Service (General)		28,709,905
			Appropriation to Towns		4,240,767
			Appropriation to State		1,170,000

TOTAL GENERAL FUND APPROPRIATIONS

780,108,000

GENERAL FUND REVENUES

FY 24 APPROVED BUDGET	\$768,496,000	FY 25 APPROVED BUDGET	\$780,108,000	CHANGE	\$11,612,000
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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 (81%) of our projected General Fund Revenues come from Property Taxes and Income Taxes.

<u>PROPERTY TAXES</u>	FY 25 Approved	\$308,977,300	40%	of the General Fund
	FY 24 Approved	\$295,260,500	38%	of the General Fund
	\$ growth	\$13,716,800		
	% growth	4.65%		

In FY 25, the County is adopting a tax rate of \$0.8413. The State reassesses all properties on a triennial basis. Statewide "Group 3" reassessments in FY 25 increased by 23.4% over the past three years according to State Department of Assessment and Taxation. In Harford County, assessments in Group 3, which mainly covers the southern portion of the County, grew by 22.0% with residential and commercial assessments increasing by 23.9% and 17.7% respectively.

<u>INCOME TAXES</u>	FY 25 Approved	\$317,325,000	41%	of the General Fund
	FY 24 Approved	\$311,000,000	40%	of the General Fund
	\$ growth	\$6,325,000		
	% growth	2.03%		

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 25 over our revised FY 24 estimate as the economy is expected to cool. FY 24 income tax is estimated at \$306,600,000, which is \$7,400,000 under our adopted budget. FY 25 is projected to grow by 3.5%, which is the long-term average growth rate, over the revised FY 24 base.

<u>OTHER REVENUES</u>	FY 25 Approved	\$153,805,700	20%	of the General Fund
	FY 24 Approved	\$162,235,500	21%	of the General Fund
	\$ decrease	(\$8,429,800)		
	% decrease	-5.20%		

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

	<u>FY 24 Funding</u>	<u>FY 25 Funding</u>	<u>Change</u>
<u>Recordation Tax</u>	\$14,000,000	\$10,670,000	(\$3,330,000)
In FY 25, we are anticipating \$10,670,000 million of recordation tax to the General Fund for school debt.			
<u>Transfer Tax</u>	\$12,500,000	\$8,000,000	(\$4,500,000)
In FY 25, we are anticipating \$8,000,000 million of transfer tax to the General Fund to pay school debt.			
<u>Fund Balance Appropriated</u>	\$74,072,089	\$58,476,370	(\$15,595,719)
Governmental funds report the difference between their assets and liabilities as fund balance. In FY 24, we appropriated \$74.0 million of unassigned fund balance. In FY 25 we have appropriated approximately \$58.476 million of unassigned fund balance.			
<u>All "Other" Revenues combined</u>	\$61,663,411	\$76,659,330	\$14,995,919

These include: Other taxes, charges for current services, revenues from other agencies, fines and forfeitures, licenses and permits and investment income.

GENERAL FUND EXPENDITURES

	APPROVED BUDGET FY 24	EXECUTIVE APPROVED FY 25	CHANGE FY 25 VS. FY 24
<u>GENERAL FUND SUMMARY BY DEPARTMENT:</u>			
COUNTY EXECUTIVE	1,869,589	1,865,688	(3,901)
ADMINISTRATION	1,588,902	1,538,426	(50,476)
PROCUREMENT	1,500,727	1,258,395	(242,332)
TREASURY	4,298,882	4,332,450	33,568
LAW	2,855,104	3,291,779	436,675
PLANNING AND ZONING	4,431,972	4,141,960	(290,012)
HUMAN RESOURCES	7,005,084	5,787,738	(1,217,346)
HOUSING & COMMUNITY SERVICES	5,866,902	7,931,323	2,064,421
HANDICAPPED CARE CENTERS	2,951,795	2,970,921	19,126
HEALTH	4,768,168	5,006,577	238,409
HOUSING & COMMUNITY DEVELOPMENT	2,272,595	0	(2,272,595)
INFORMATION & COMMUNICATION TECHNOLOGY	13,823,667	15,765,007	1,941,340
SHERIFF'S OFFICE	117,743,609	126,466,411	8,722,802
EMERGENCY SERVICES	44,706,644	51,466,373	6,759,729
INSPECTIONS, LICENSES AND PERMITS	3,775,044	4,150,006	374,962
PUBLIC WORKS	41,015,613	40,967,967	(47,646)
COUNTY COUNCIL	4,378,696	4,609,165	230,469
JUDICIAL	4,854,954	5,085,101	230,147
STATE'S ATTORNEY	9,660,401	10,273,657	613,256
ELECTIONS	3,802,116	3,849,819	47,703
BOARD OF EDUCATION	314,852,402	321,352,402	6,500,000
HARFORD COMMUNITY COLLEGE	19,881,806	19,881,806	0
LIBRARIES	20,885,407	20,885,407	0
PARKS AND RECREATION	12,036,451	12,169,021	132,570
CONSERVATION OF NATURAL RESOURCES	977,524	1,031,829	54,305
ECONOMIC DEVELOPMENT	4,924,823	4,943,422	18,599
DEBT SERVICE	65,208,790	66,890,885	1,682,095
INSURANCE	899,968	912,456	12,488
BENEFITS	3,248,140	3,166,850	(81,290)
MISCELLANEOUS	42,310,225	28,015,159	(14,295,066)
RESERVE FOR CONTINGENCIES	100,000	100,000	0
TOTALS:	768,496,000	780,108,000	11,612,000

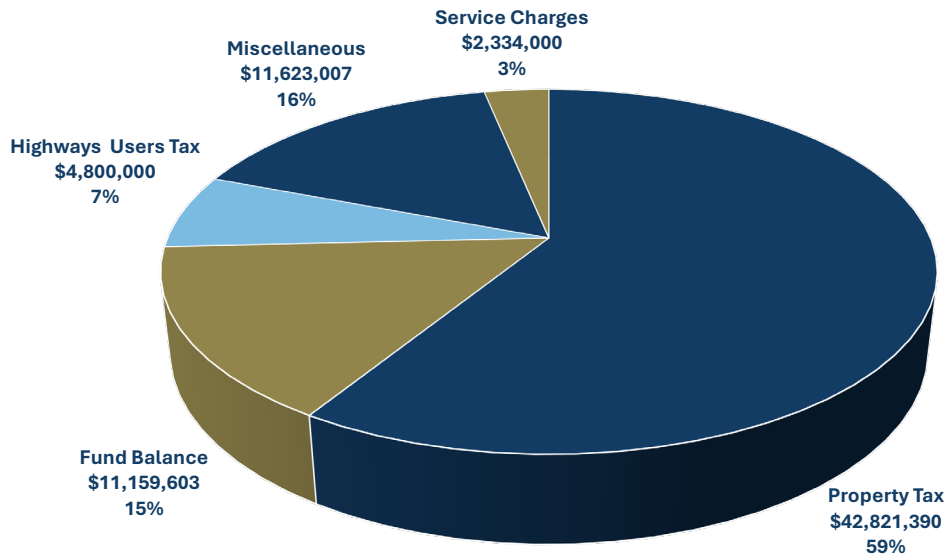
The General Fund realizes an increase of \$11,612,000 or 1.5% over FY 24

SIGNIFICANT CHANGES:

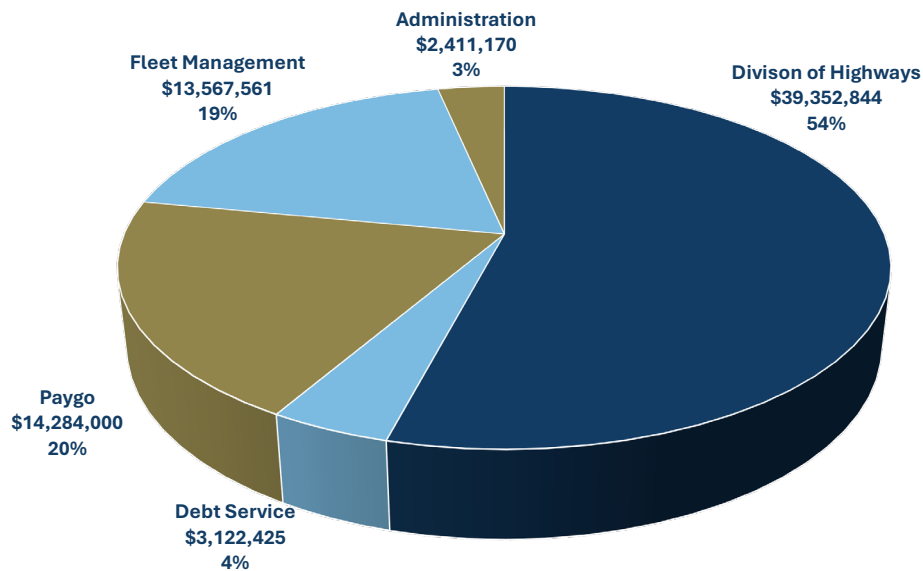
- o Sheriff's Office budget increases for four (4) new SRO positions added during FY 24 and for a Step-increase plus 1% COLA for law enforcement and corrections deputies.
- o Emergency Services increases for eight (8) new EMS positions added during FY 24 for an additional ambulance crew, and for additional overtime based on actual expenses.
- o Decrease in Miscellaneous budget for one-time funding in FY 24 for school site acquisition.
- o Investments in Information & Communications Technology for software programs to support efficiencies.
- o Harford Community College, and Public Libraries held flat. Board of Education funding exceeds the state required Maintenance of Effort.
- o Funding included for a 1% COLA and \$1,000 merit increase for eligible county employees, as well as for employees of the State's Attorney and Circuit Court.

HIGHWAYS FUND
Fiscal Year 2024 - 2025
TOTAL APPROVED BUDGET \$72,738,000

REVENUES



APPROPRIATIONS

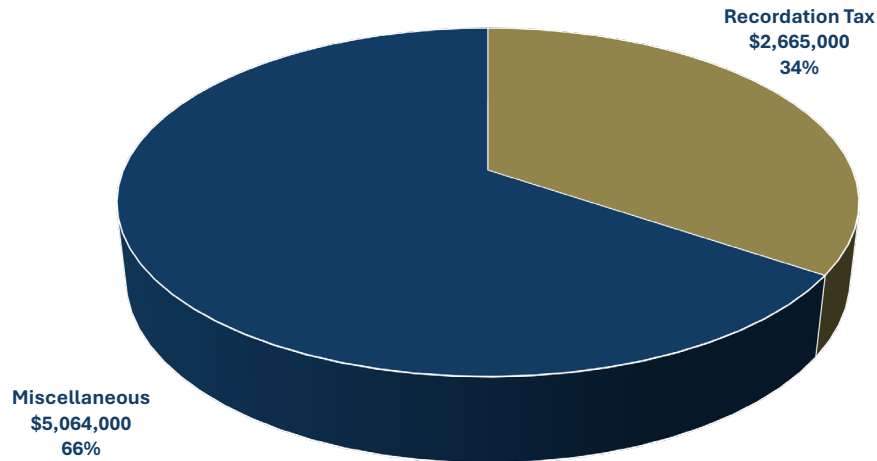


<u>FY 24 APPROVED</u>	<u>FY 25 APPROVED</u>	<u>CHANGE</u>
\$68,370,000	\$72,738,000	\$4,368,000

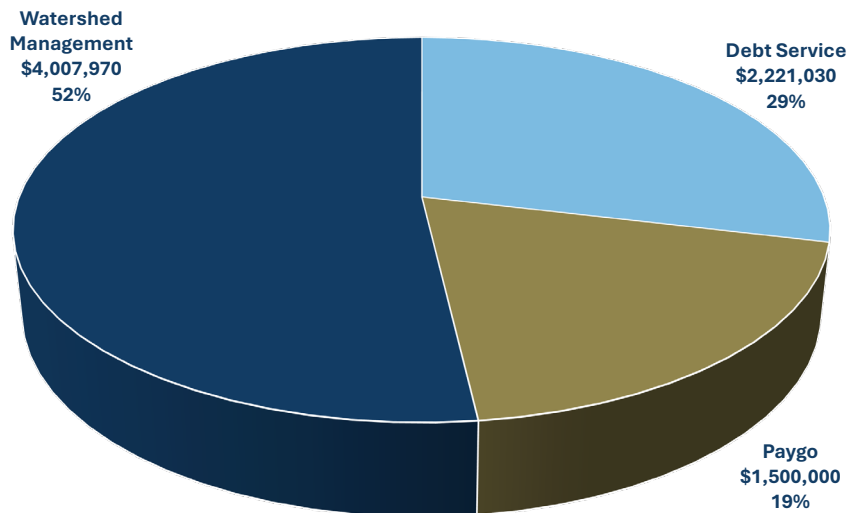
Highways maintenance and engineering operating budgets adjusted based on actual spending history, as well as an increase in funding for diesel fuel and gasoline based on projections and spending. Paygo funding is appropriated for capital projects such as resurfacing, fleet replacement, bridge inspection, guardrails and road safety improvements, and other various roadway improvement projects.

WATERSHED MANAGEMENT FUND
Fiscal Year 2024 - 2025
TOTAL APPROVED BUDGET \$7,729,000

REVENUES



APPROPRIATIONS

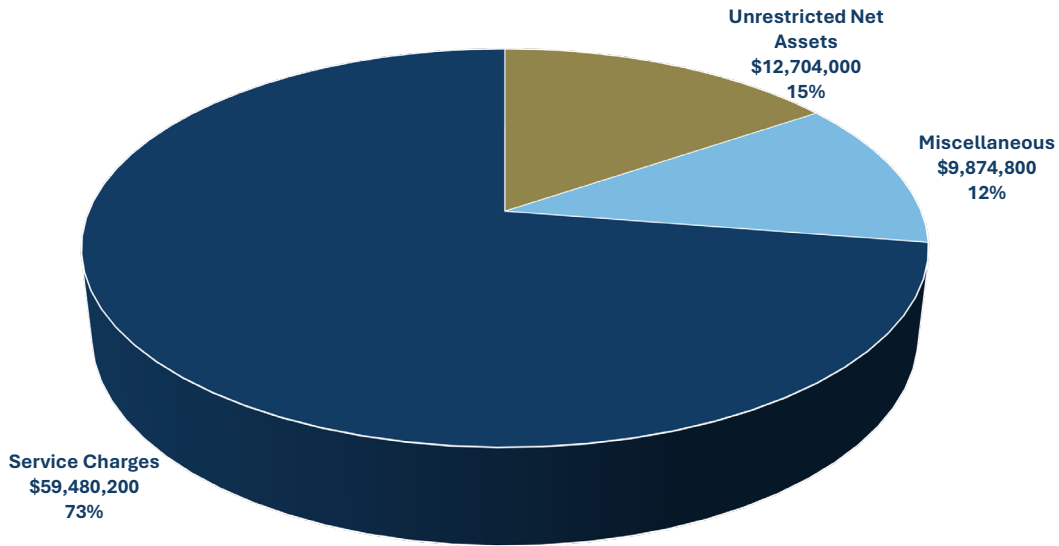


<u>FY 24 APPROVED</u>	<u>FY 25 APPROVED</u>	<u>CHANGE</u>
\$6,006,000	\$7,729,000	\$1,723,000

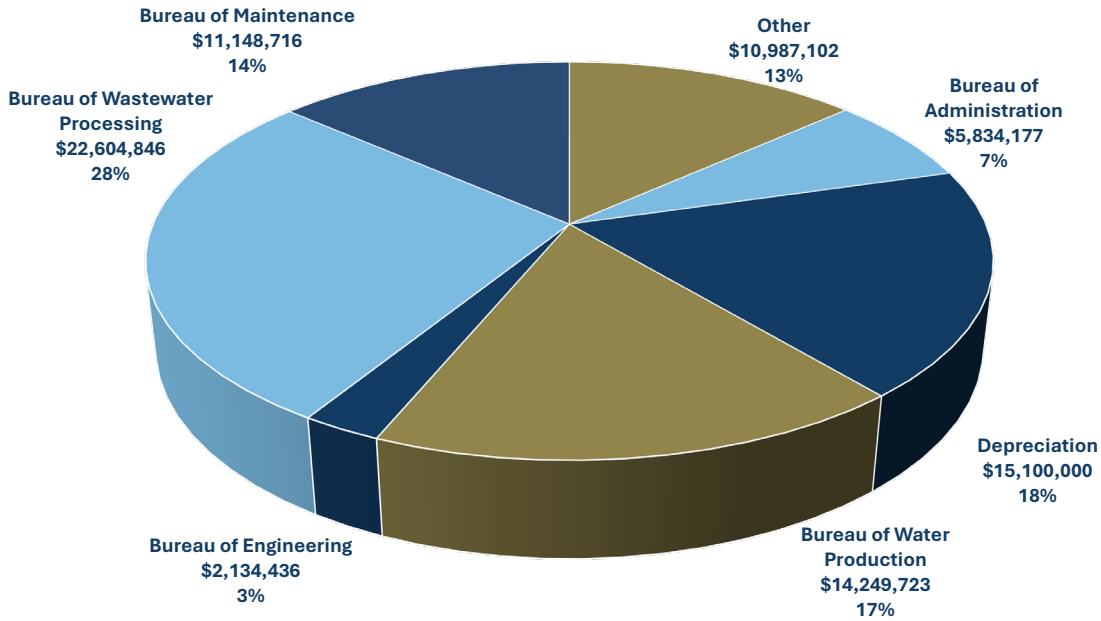
House Bill 987, which requires certain Maryland counties, including Harford County, must collect a Stormwater remediation fee from taxpayers to fund the implementation of local watershed protection and restoration programs. Harford County is required to adopt and implement local laws necessary to establish a watershed protection and restoration program, including a stormwater remediation fee and local watershed protection and restoration fund. Revenue resulting from this fee can only be used for Watershed Protection and Restoration Programs. 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 program as mandated under State of Maryland law. The State requires a separate fund be established for this purpose.

WATER AND SEWER FUND
Fiscal Year 2024 - 2025
TOTAL APPROVED BUDGET \$82,059,000

REVENUES



APPROPRIATIONS



FY 24 APPROVED
\$79,815,000

FY 25 APPROVED
\$82,059,000

CHANGE
\$2,244,000

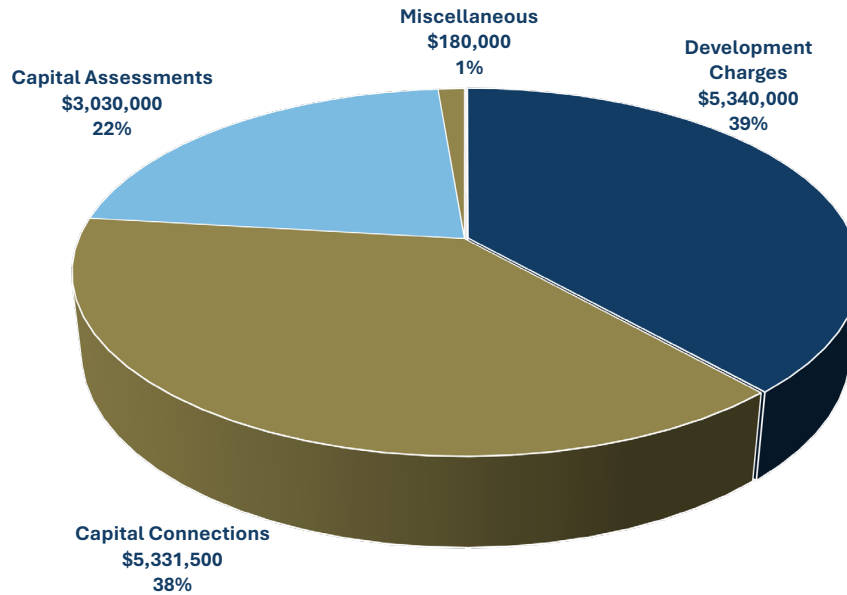
Water and sewer operating expenses for maintenance, materials, inspections, etc are adjusted based on spending history and projections. An increase in Paygo funding is appropriated for water and sewer capital projects such as replacement of infrastructure, booster stations, infiltration and inflow, pump stations, water & sewer fleet replacement, and other various projects.

WATER AND SEWER DEBT SERVICE FUND

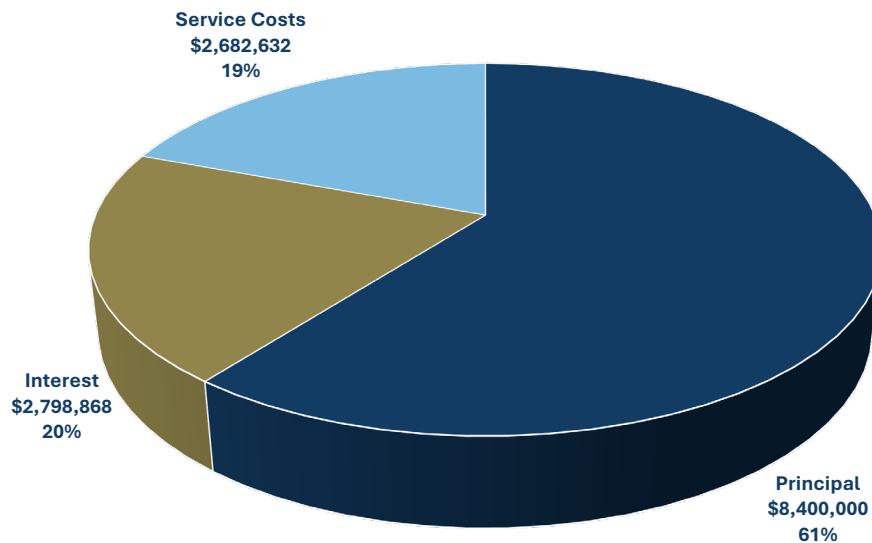
Fiscal Year 2024 - 2025

TOTAL APPROVED BUDGET \$13,881,500

REVENUES



APPROPRIATIONS



FY 24 APPROVED

\$12,585,000

FY 25 APPROVED

\$13,881,500

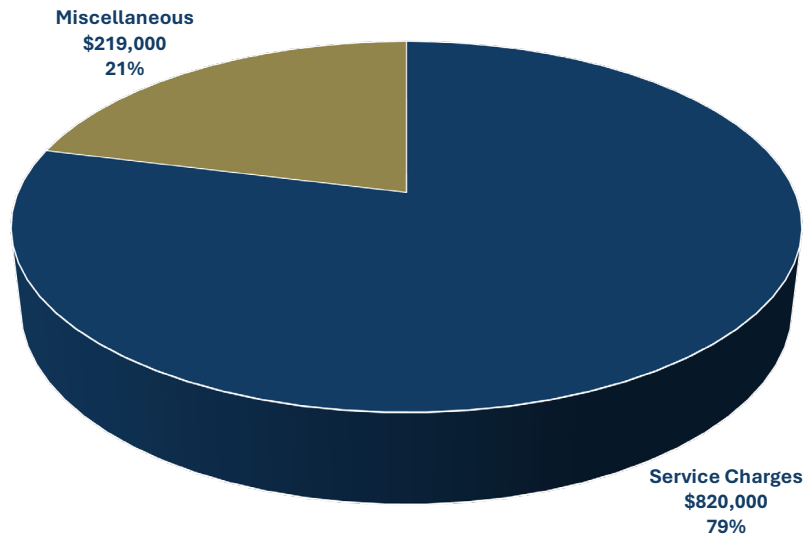
CHANGE

\$1,296,500

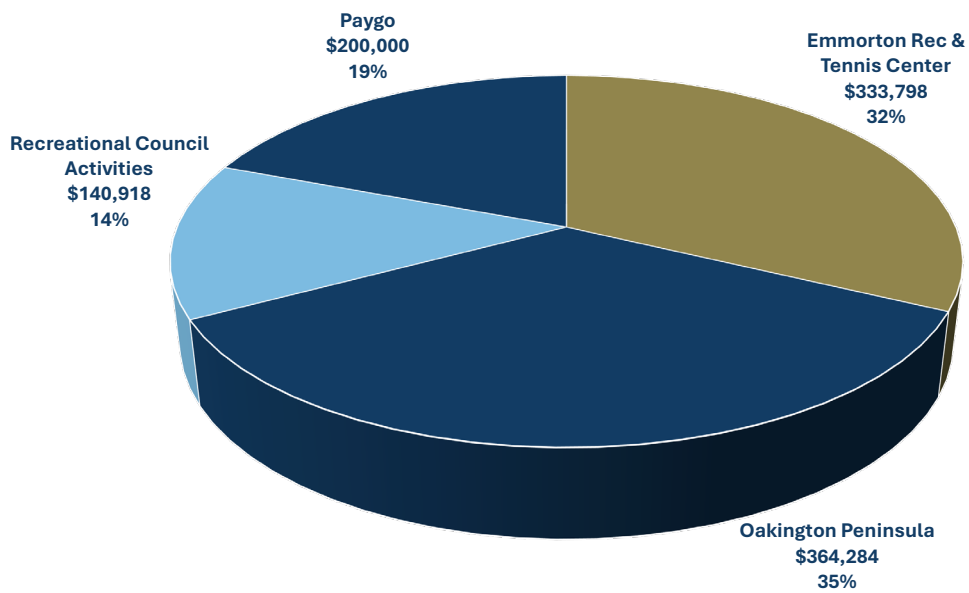
The Water & Sewer Debt Service Fund provides appropriation authority for the payment of principal and interest on long term water and sewer bonds and loans used to finance the capital projects of the County-owned water & sewer system. The increase in funding for FY 25 is a result of the service cost payments adjusted to amounts due on outstanding debt.

PARKS AND RECREATION FUND
Fiscal Year 2024 - 2025
TOTAL APPROVED BUDGET \$1,039,000

REVENUES



APPROPRIATIONS



FY 24 APPROVED
\$855,000

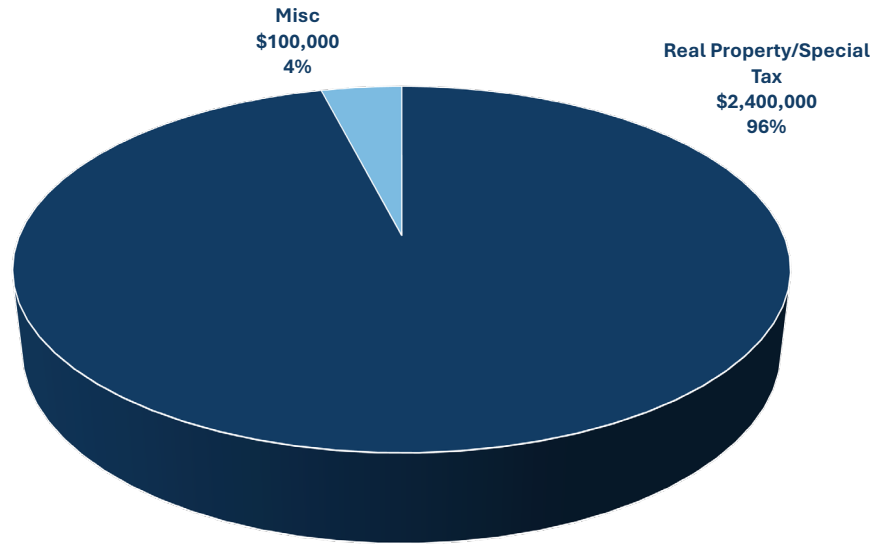
FY 25 APPROVED
\$1,039,000

CHANGE
\$184,000

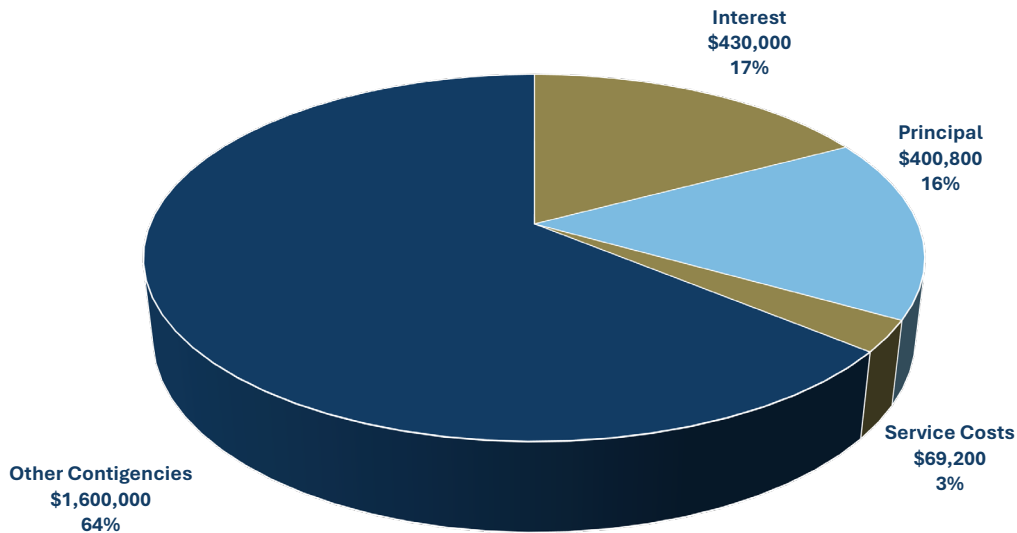
Funding adjusted in parks and recreation special revenue funds based on spending history and revenue projections. Funding in the amount of \$200,000 is also provided in the capital budget to provide improvements to the Emmorton Recreation and Tennis Center and Oakington Peninsula.

TAX INCREMENT FINANCING
Fiscal Year 2024 - 2025
TOTAL APPROVED BUDGET \$2,500,000

REVENUES



APPROPRIATIONS

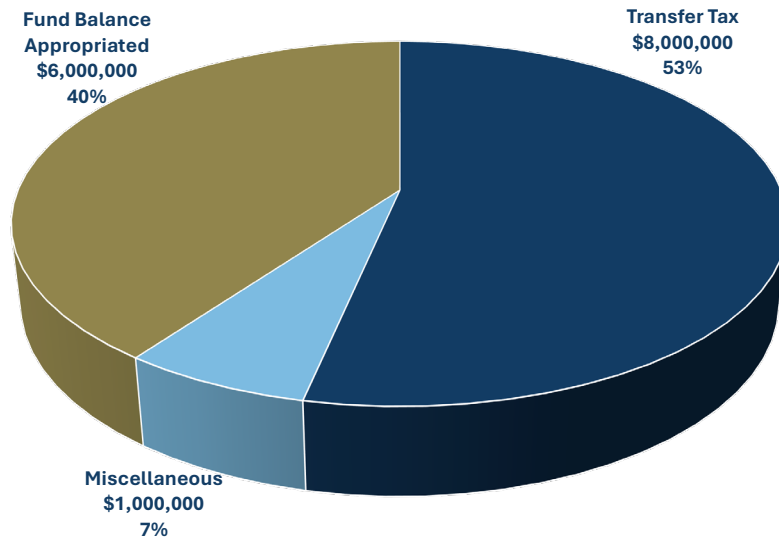


<u>FY 24 APPROVED</u>	<u>FY 25 APPROVED</u>	<u>CHANGE</u>
\$2,665,000	\$2,500,000	(\$165,000)

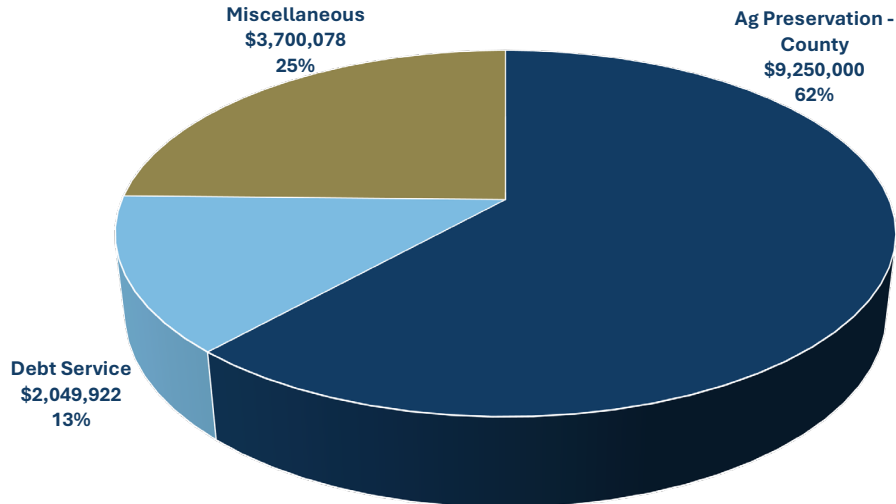
The Beechcreek Estates Tax Increment Fund is a special fund authorized by Bill 10-10. The Bill provides that the County could not issue more than \$14,000,000 for Beechcreek Estates in special obligation bonds to finance or reimburse the cost of public improvements benefitting the district. The Bill 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 in 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 that 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.

AG COUNTY FUND
Fiscal Year 2024 - 2025
TOTAL APPROVED BUDGET \$15,000,000

REVENUES



APPROPRIATIONS

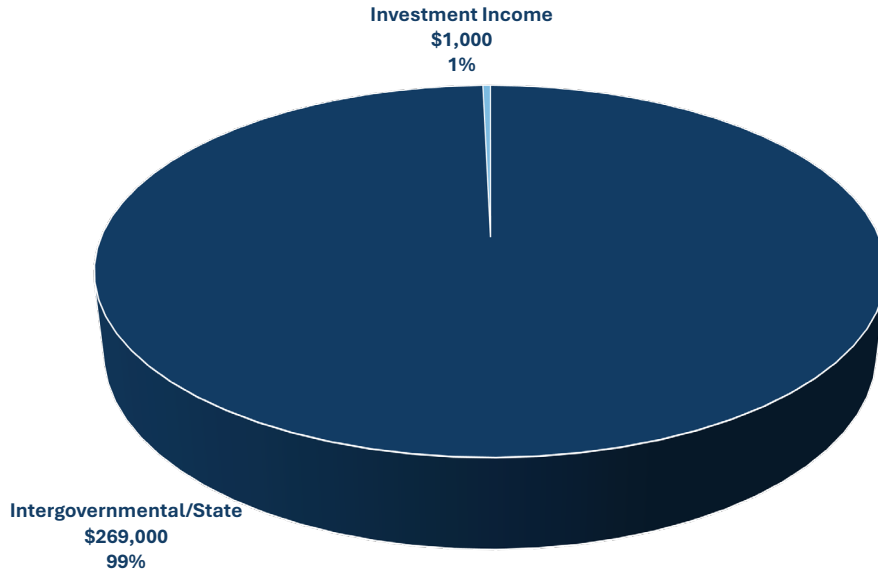


<u>FY 24 APPROVED</u>	<u>FY 25 APPROVED</u>	<u>CHANGE</u>
\$26,500,000	\$15,000,000	(\$11,500,000)

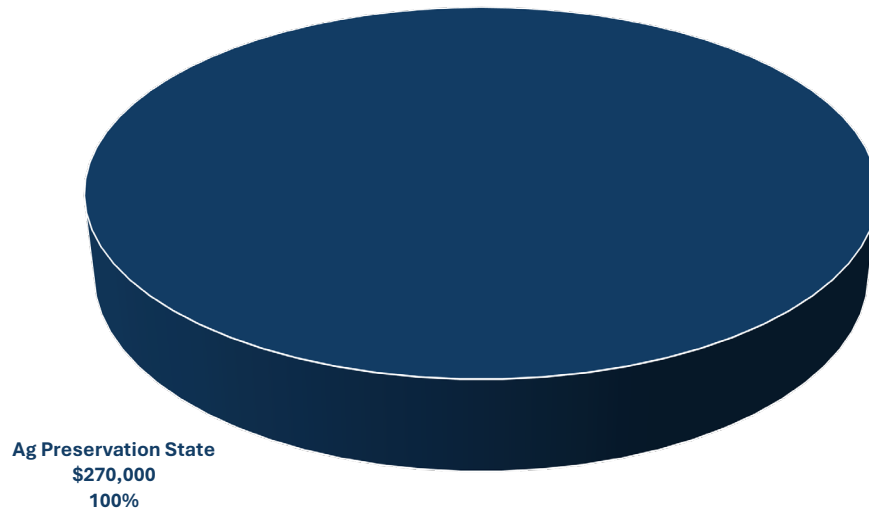
Harford County is committed to Agricultural Land Preservation. An allocation of \$9,250,000 is provided for the purchase of Ag Preservation easements.

AG STATE FUND
Fiscal Year 2024 - 2025
TOTAL APPROVED BUDGET \$270,000

REVENUES



APPROPRIATIONS

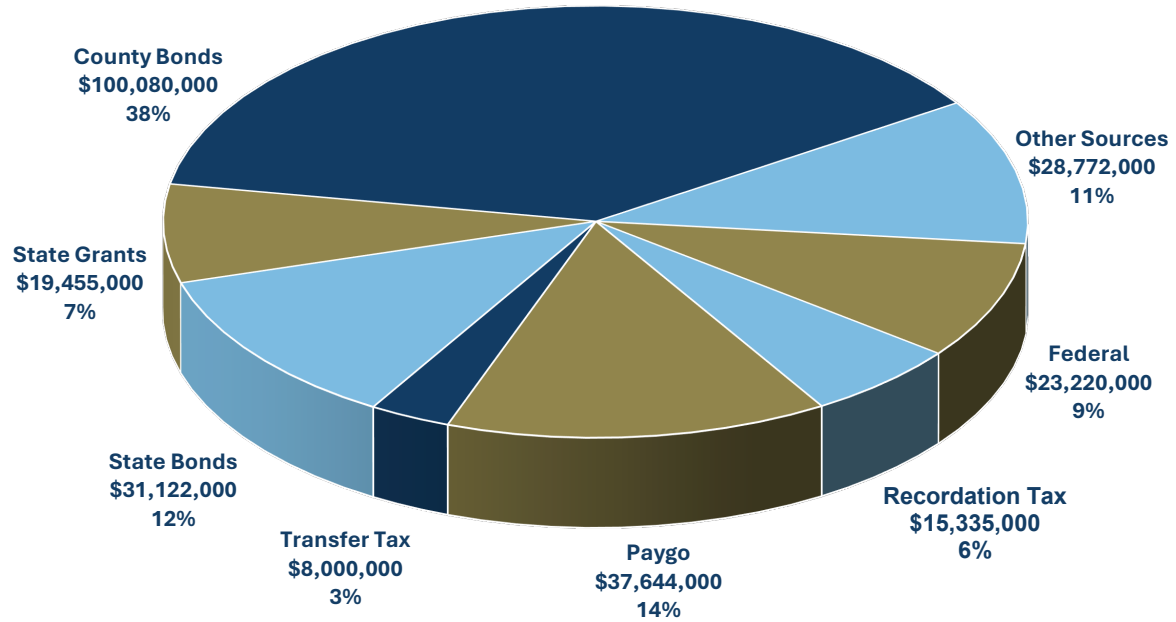


<u>FY 24 APPROVED</u>	<u>FY 25 APPROVED</u>	<u>CHANGE</u>
\$270,000	\$270,000	\$0

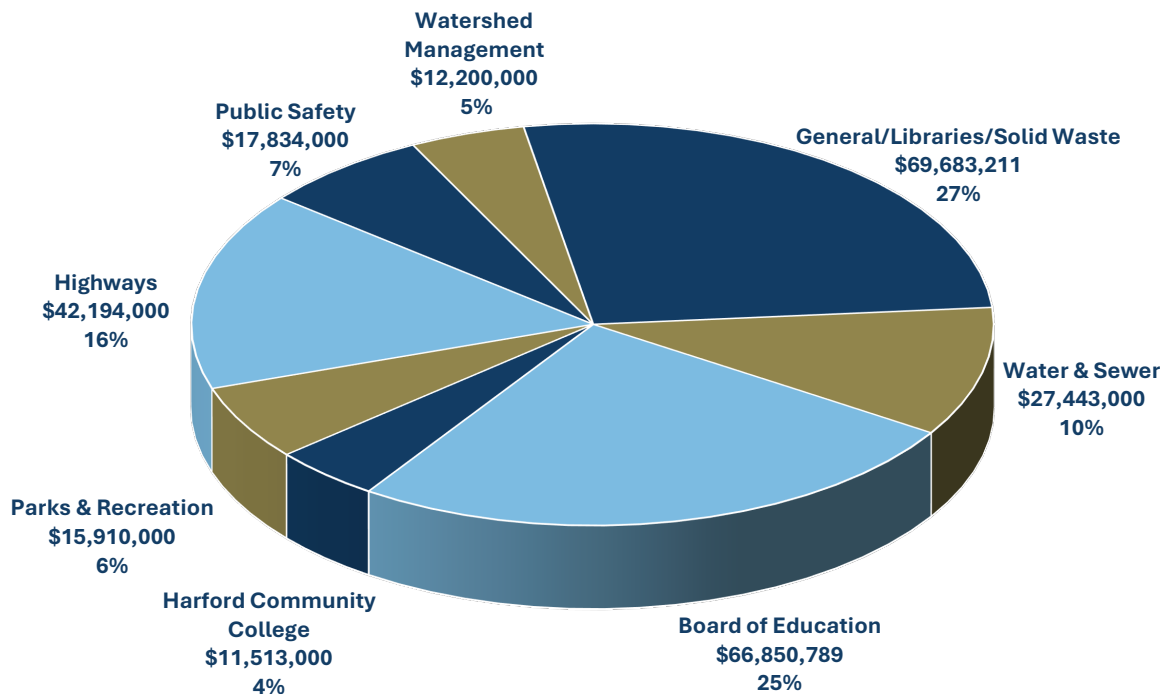
Harford County's Agricultural Program is certified, therefore, the Program can retain 75% of the Agricultural Transfer Tax collected. For FY 25, it is projected that the County's share of the State Agricultural Tax will be \$270,000. The County will use \$30,000 of this revenue to offset the salary and benefits of a Planner III, who serves as the Harford County Program Administrator. Harford County's match to MALPF for easement purchases the foundation makes on behalf of the County will be \$240,000.

APPROVED CAPITAL BUDGET
Fiscal Year 2024 - 2025
TOTAL BUDGET \$263,628,000

REVENUES



APPROPRIATIONS



**FISCAL YEAR 2025
APPROVED CAPITAL BUDGET**

The Approved Fiscal Year 2025 Capital Budget consists of 166 projects at a total cost of \$263,628,000. 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 25 Capital Budget.

GENERAL CAPITAL:		FY 25 PROJECT BUDGET:	FY 25 FUNDING BREAKDOWN:	
CONVERGE Center - renovation to establish a state-of-the-art biomanufacturing wing in the CONVERGE Innovation Center		\$12,500,000	Federal Funding	\$12,500,000
Facility Condition Assessment - measures the condition and functionality of a building and its infrastructure as suitable and appropriate for intended functions		\$1,000,000	County Invest. Income	\$1,000,000
PUBLIC SAFETY:				
Ambulance/Other Emergency Fleet - funding to replace a minimum of two (2) ambulances every year		\$1,500,000	County Paygo:	\$600,000
			Other Funding:	\$900,000
Sheriff's Office Body Worn Camera Program - funding provides for the cost of equipment, maintenance, cloud storage, licenses, replacement equipment, etc.		\$801,000	County Paygo:	\$801,000
Sheriff's Office Fleet Replacement - funding provides for the replacement of approximately one-third of the HCSO fleet		\$1,530,000	County Paygo:	\$1,530,000
Mobile/Portable Radio System Upgrade - funding to maintain and upgrade the radio system as necessary		\$5,000,000	County Bonds:	\$5,000,000
Riverside Fire & EMS Station - funding to complete construction		\$4,000,000	County Bonds:	\$4,000,000
Whiteford VFC - New Station - funding for the design and construction of a new fire station in the Whiteford area		\$1,000,000	County Bonds:	\$1,000,000
HARFORD COMMUNITY COLLEGE:				
Chesapeake Welcome Center - 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		\$11,513,000	County Bonds	\$325,000
			State Funding:	\$9,255,000
			Other Funding:	\$1,933,000
BOARD OF EDUCATION:				
Aberdeen MS HVAC Systemic Renovation - replacement of the building's heating system and other various systemic and control features		\$17,087,475	Prior Bonds:	\$6,407,475
			State Funding:	\$10,680,000
Blueprint Facility Program - funding for facility improvements, portable buildings, program specific technology, and new/replacement educational equipment and furnishings		\$1,000,000	County Bonds:	\$1,000,000
Harford Technical HS Limited Renovation - funding to address systemic and programmatic needs		\$17,812,000	County Bonds:	\$6,625,000
			State Funding:	\$11,187,000
Homestead Wakefield ES Major Project - funding for the construction of the school		\$23,125,000	County Bonds:	\$23,125,000

**FISCAL YEAR 2025
APPROVED CAPITAL BUDGET**

PARKS & RECREATION:

Athletic Field Improvements - major improvements at various natural and synthetic fields throughout the County	\$2,500,000	Prior Bonds:	\$2,500,000
Equestrian Center Improvements - repair and improvement of the facilities	\$500,000	County Bonds:	\$500,000
Joppatowne Community Center - funding for a multi-purpose center to serve leisure needs for all ages in the Joppa/Joppatowne Community	\$1,000,000	County Bonds:	\$1,000,000
Oakington Peninsula System - funding for engineering and construction for development of the Oakington Peninsula Park System	\$2,000,000	County Bonds:	\$2,000,000
Tennis, Multipurpose & Pickleball Courts - repair, resurfacing and reconstruction tennis, multipurpose, and pickleball courts throughout the County	\$1,150,000	Recordation Tax:	\$1,150,000
Trails & Linear Parks - further acquisition, development, repair of hiker/biker trails, greenways, and linear parks	\$750,000	County Bonds:	\$500,000
		Recordation Tax:	\$250,000

HIGHWAYS:

Bridges - funding for 12 bridge projects	\$17,425,000
Roads - funding for 17 road projects	\$9,395,000
Resurfacing - one resurfacing roadways project	\$9,525,000
Miscellaneous - including fleet, facilities repair, computer refresh, etc.	\$5,849,000

WATER & SEWER:

Water - funding for 10 water projects including water main replacements, water infrastructure replacements, booster station, and switchgear replacement	\$5,820,000
Sewer - funding for 12 sewer projects including pump station and sewer infrastructure replacements, and improvements at the Sod Run Facility	\$20,010,000
Miscellaneous - including fleet replacement, facilities repair, & computer refresh	\$1,613,000

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**Harford County Government
Office of Budget and Management
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