



~ Preserving Harford's past; promoting Harford's future ~

A MESSAGE FROM COUNTY EXECUTIVE, DAVID R. CRAIG

The Approved Operating and Capital Budgets for FY 2010 continue to demonstrate conservative fiscal management allowing Harford County to remain financially sound. Through prudent budgeting, strategic planning, and open lines of communication with our citizens, we are effectively dealing with pressures resulting from Maryland's state budget deficits as well as a challenging global economy.

The FY 2010 proposed budget I submitted to the Harford County Council in April contained nearly \$38 million in cuts to the Operating Budget, an average of a 6% reduction to each of the County's departments from the FY 2009 Operating Budget. These reductions included five furlough days for all government employees exclusive of Public Safety and Education. Our goal was to have the leanest budget possible without affecting direct services to our citizens and keeping our County workforce in tack.

Amendments by the County Council to the FY 2010 Proposed General Fund Operating Budget reduced each county department by an additional 5% across the board. The Sheriff's Office, Public Schools, Harford Community College and the Volunteer Fire and EMS service were spared the additional 5% cut.

The amended FY 2010 Budget, brought the total average cuts to over 12 percent. The additional reduction required the Administration to further reduce County services and programs.

The reductions to the FY 2010 Operating Budget implemented July 1 include, but are not limited to the following:

- o Thirty-four County administration employees laid off
- o The Harford County HazMat Team will no longer respond to blood spills for mitigation purposes
- o Response times to HazMat calls for service will increase
- o Elimination of public outreach programs to help individuals prepare for emergencies
- o Elimination of the Gypsy Moth spraying program to help curb the spread of Gypsy Moth through farmland, forests and communities
- o Reducing operations at the Tollgate Road yard waste site to one day a week
- o Reduced funding for the Court Appointed Special Advocates (CASA) for the Harford County Circuit Court
- o Elimination of Juvenile Counseling Services
- o Reduction in County funding to Agriculture Extension Services
- o Reduction in County funding for Soil Conservation
- o Elimination of Saturday Harford Transit bus service

At no time in Harford County Government's history have we been presented with such daunting fiscal challenges. Over the past 25 years we have only had to cut General Fund budgets twice, (\$3.1) million in Fiscal Year 1992 and (\$3.6) million in Fiscal Year 2004. The Approved Fiscal Year 2010 reduction of over (\$26) million in General Funds is unprecedented and truly reflective of the economic conditions impacting governments, business and individuals. Partnerships with our citizens, the Board of Education, Harford Community College, our Library System, the Sheriff's Office, the Volunteer Fire Companies, and our employees were the only way to meet these challenges. Each group has provided invaluable input and commitments of time in a true spirit of cooperation and sincere concern for Harford County.

While these cuts will be felt by a number of our citizens, they will not steer us drastically off the course we have set to improve Harford County. Even during these difficult times, it is the responsibility for government to provide essential services to the citizens we serve. We will continue to do our best to provide exemplary services with limited resources. Together we will move forward to keep Harford County a place full of promise and opportunity, a great place to live, work and raise a family.

A handwritten signature in black ink that reads "David R. Craig".

Harford County Executive

INSIDE THE BUDGET IN BRIEF

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INTRODUCTION TO THE BUDGET IN BRIEF

Harford County's Budget in Brief is a financial summary to provide our citizens with an overview of our Annual Operating and Capital Budgets. It includes information on how the budget is developed and what it ultimately means in terms of services to our community.

The annual budget process and calendar are included.

A Fiscal Policy section defines the cornerstones of our financial management plan.

The FY 10 Overview summarizes how the Administration's policies and plans were combined with revenue projections to determine where the funds were to be appropriated.

A summary of Harford County's Approved FY 10 Operating and Capital Budgets is included.

The FY 10 Budget Highlights include pie charts and summaries for each County Fund. A brief explanation of how revenues were projected and appropriate decisions were made follows each fund's summary, with emphasis on the General Fund.

An overall summary of Capital Budget revenues and expenses is provided, as well as a listing of projects in which a great deal of citizen interest has been expressed.

The County's Vision, Mission, Goals and Strategic Management are highlighted.

A County organization chart is included.

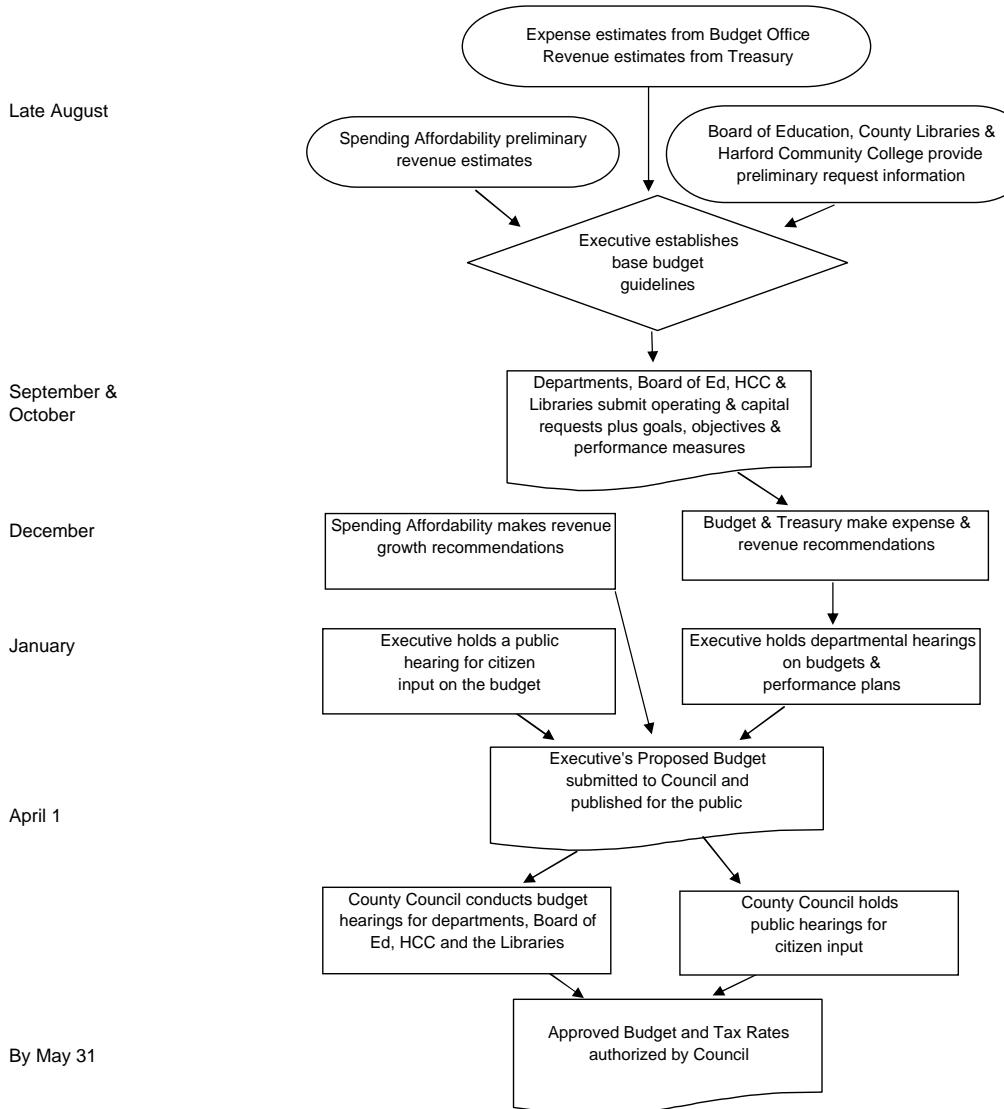
Statistics on the level of certain County services are listed, as well as various points of interest.

The County At A Glance details specific demographic, economic and educational data.

A summary of elected officials and departmental staff involved in the budget process is provided.

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 1st. The Council then holds its own hearings. By May 31st, 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:

o A Six Point Financial Plan

- * expenditures will be based on a real vs. a perceived need
- * expenses, functions, services and projects will be affordable
- * an affordable 5 year capital program will be planned and implemented based on sound debt management practices
- * 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 and provide for emergencies

o Strategic Planning that incorporates Ten Principles of Sound Financial Management

- * the County's Land Use Plan shall not become static and will be synchronized with the Operating and 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 Estimated Market 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 cash management system.

o 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.

o 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.

o 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 (though 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.

o Operating Budget Policies - assure all current expenses will be paid for with current revenues; capital plant and equipment will be maintained and 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 and / or programs, and will be used to determine the revenue and expense impact of subdivision approvals.

o Capital Improvement Budget Policies - require the County to use the least costly method of financing all new projects, and to coordinate the capital budget with the operating budget; projected debt service must follow the County's debt policies and must be included in the operating budget.

Administrative Policies - have also been established in support of our conservative fiscal policies, and they call for:

- * monitoring Federal and State legislation to determine any impact on Harford County's finances;
- * actively pursuing intergovernmental financing to supplement funding, but avoiding dependence on outside funding sources;
- * sharing the financial burden of desirable, but discretionary services, equitably among taxpayers and the users of those services;
- * encouraging participation by private markets in public service delivery as long as all Government objectives are met and the economical benefits to the community surpass direct government involvement;
- * multiple use of County facilities by more than one type of program or service;
- * interdepartmental coordination of procurement to ensure compatibility of equipment, reduce duplications, and achieve the greatest cost savings.

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.

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 and the County Libraries.

The budget consists of separate established "funds" to record the receipt and application of resources which, by law or generally accepted accounting principles, must be kept distinct:

o 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.

o 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 & Water Resources and Construction Management, County fleet maintenance, traffic safety and transportation services.

o THE WATER & 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.

o SOLID WASTE SERVICES is used to account for solid waste management costs to the extent that solid waste related revenues are available. All other costs are in the General Fund.

o THE WATER & 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.

o 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 & Recreation Special Fund) or which do not provide basic governmental services (County and State Agricultural Preservation Funds).

CAPITAL BUDGET & 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
FISCAL YEAR 2010 BUDGET SUMMARY**

Although there is a standardized "Annual Budget Process," the development of each year's budget is based on: current and projected economic conditions; the wants of our citizens; plus operational needs and mandates, coupled with the strategic plans, fiscal policies and management techniques adopted by the Administration.

Developing our FY 2010 Operating and Capital Budgets has been a most challenging task. Through prudent budgeting, strategic planning, and open lines of communication with the State, the towns, all outside agencies, union groups, our employees and our citizens, we are coping with the pressures brought on by a global economy in crisis, a major drop in home sales and construction, and the State of Maryland's budget issues. We have kept the public's needs foremost in our thoughts, striving to maintain services, especially in the areas of Public Safety and Education.

PROPERTY TAXES - While the real estate market has been on a downward trend since 2006, our property tax revenues should remain strong for FY 2010. With the adoption of Resolution No. 06-09, effective July 1, 2009 the property tax rates were reduced from \$1.082 to \$1.064 for real property and \$2.705 to \$2.660 for corporate and personal property / \$100 assessed value. The personal property tax rate is required by law to be 2.5 times the real property tax rate.

INCOME TAXES - Receipts have been slowing for most of 2008 and 2009. The drop in quarterly revenues is largely due to the slowdown in the overall economy, which we project to continue into FY 2010 as the credit crunch, falling capital gains, rising unemployment and a downturn in consumer spending combine to limit the growth of taxable income. The result of which is a projected (12.6%) decrease or (\$22,292,741) less in income tax receipts for FY 2010.

APPROPRIATED GENERAL FUND BALANCE - Excess unappropriated fund balance at the end of a fiscal year, above the 5% reserve designated for credit rating purposes, maintained by County policy, is appropriated into the next fiscal year's budget, and treated as one-time funding for that fiscal year.

LONG RANGE ISSUES AND GOALS

BASE REALIGNMENT AND CLOSURE (BRAC) The Base Realignment and Closure (BRAC) Commission supported the Department of Defense's plan for expanding the mission and scope of Aberdeen Proving Ground (APG) in November 2005 and Harford County was apprised of the extent to which the actions would impact us. The changes resulting from the plan for APG will not be limited to the Post, therefore, a planning and advisory commission was appointed by the County Executive. The commission developed a plan with over 70 action items. This plan continues to be our road map to making improvements to every aspect of public infrastructure and support. The County is working with our partners in the Chesapeake Science and Security Corridor, the State, and with the towns to implement these recommendations.

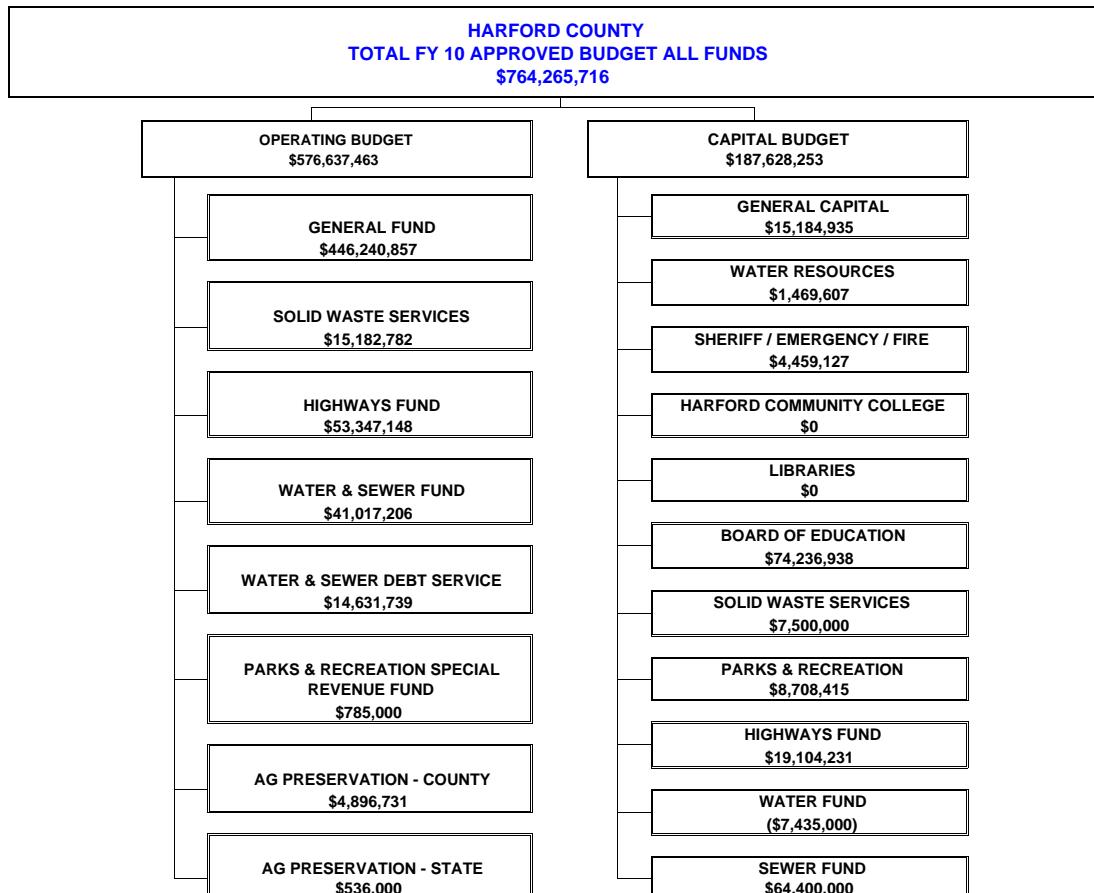
SCHOOL CAPACITY - One of the County's most pressing challenges is school capacity and modernization issues. We have included several projects in our FY 10 Capital Budget and Improvement Program, to include the modernization / replacement of both Bel Air and Edgewood High Schools, the new Red Pump Road Elementary School, as well as the modernization / additions of four elementary schools and one high school. Additional staff and ancillary expenses are included for additional capacity when planning future budgets.

PUBLIC SAFETY - Funds are included in the FY 10 Capital Budget to complete construction of a 288 bed expansion for medium security level inmates at the Detention Center. Also included are funds to construct a new Bel Air Substation at Patterson Mill; and funds to replace SCBA (self contained breathing apparatus) equipment.

FY 10 ISSUES AND OBJECTIVES

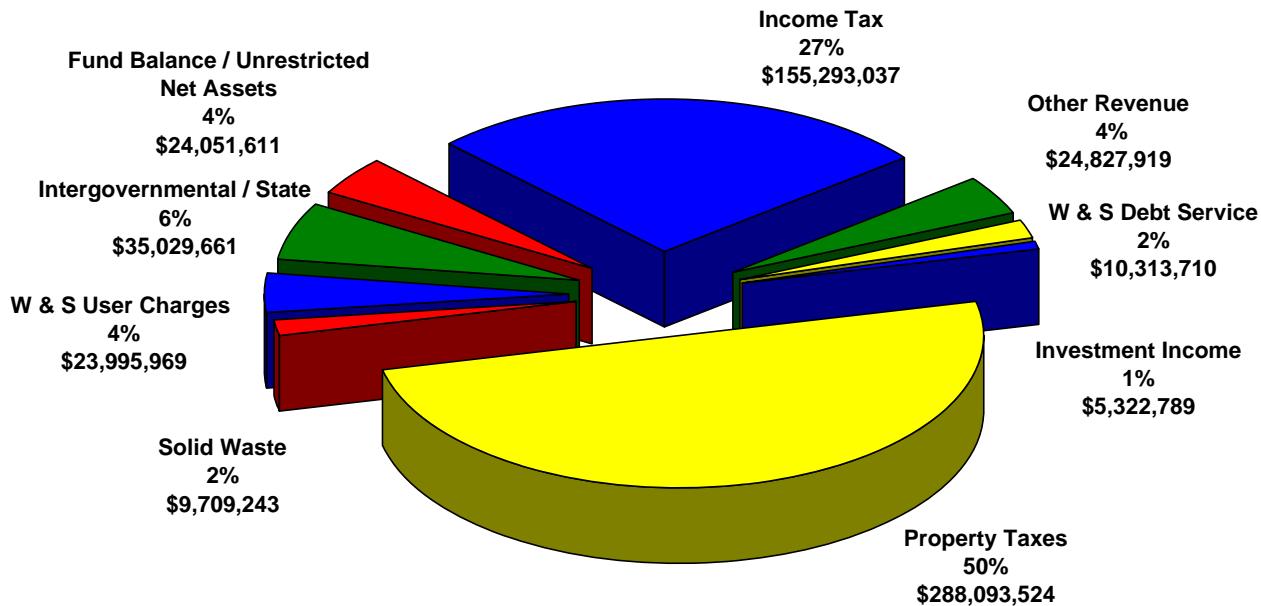
EDUCATION - Although County support to our schools remained at the same level as FY 09, it should be noted that for FY 10 the State's Maintenance of Effort law required no County increase in school funding.

PUBLIC SAFETY - With our continued commitment to maintaining public safety, the FY 10 budget includes funds for the annualized cost of ten additional deputy positions which were only partially funded in FY 09, and although funds may have been decreased the budget still provides for a variety of drug prevention and / or rehabilitation programs, and gang suppression initiatives. The annual appropriation to each fire company and the EMS Foundation also remained at the same level as provided in FY 09.

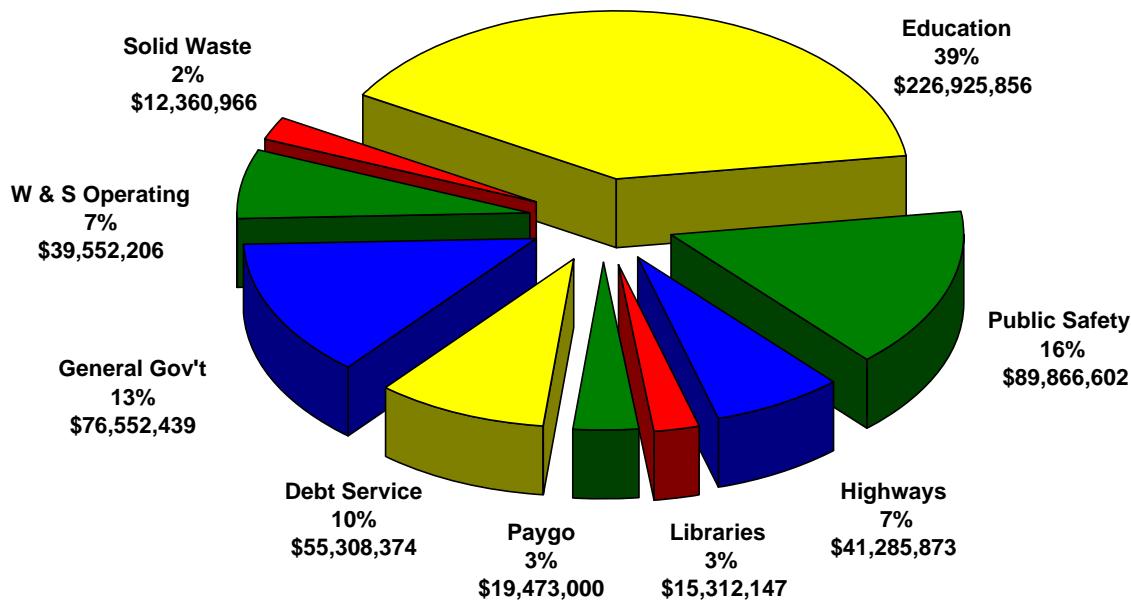


FY 2009 - 2010
 ALL FUNDS
 REVENUES & APPROPRIATIONS

TOTAL APPROVED REVENUES
\$576,637,463



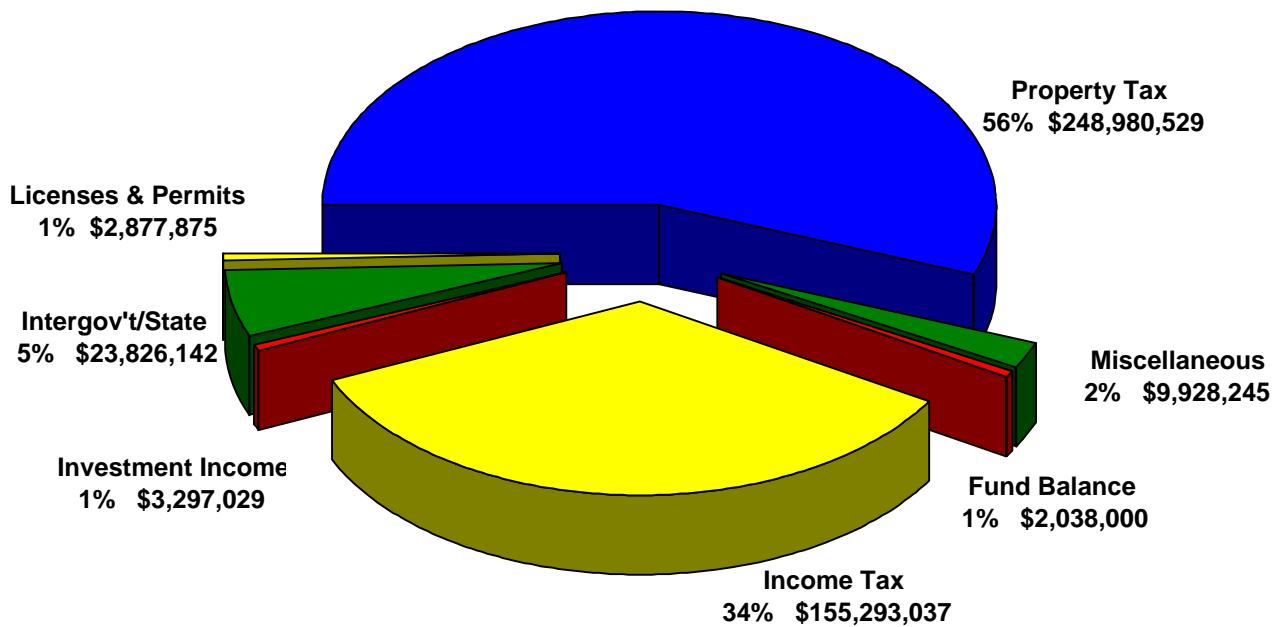
TOTAL APPROVED APPROPRIATIONS
\$576,637,463



GENERAL FUND REVENUES

Fiscal Year 2009 - 2010

TOTAL APPROVED BUDGET \$446,240,857



FY 2010 APPROVED GENERAL FUND REVENUE BREAKDOWN

| | | | | | |
|--------------------------|-----|--------------|----------------------------|-----|-------------|
| PROPERTY TAXES: | 56% | 248,980,529 | INCOME TAX | 34% | 155,293,037 |
| Real & Personal | | 273,557,789 | | | |
| Deductions | | (24,577,260) | | | |
| | | | INTERGOV'T / STATE: | 5% | 23,826,142 |
| | | | Intergovernmental | | 3,011,291 |
| INVESTMENT INCOME | 1% | 3,297,029 | Intra County | | 8,146,616 |
| | | | Pro Rata | | 4,067,235 |
| | | | Recordation | | 8,601,000 |
| MISCELLANEOUS: | 2% | 9,928,245 | | | |
| Other Taxes | | 4,901,344 | LICENSES / PERMITS | 1% | 2,877,875 |
| Service Charges | | 4,453,701 | | | |
| Fines & Forfeitures | | 112,175 | FUND BALANCE | 1% | 2,038,000 |
| Miscellaneous Revenues | | 461,025 | | | |

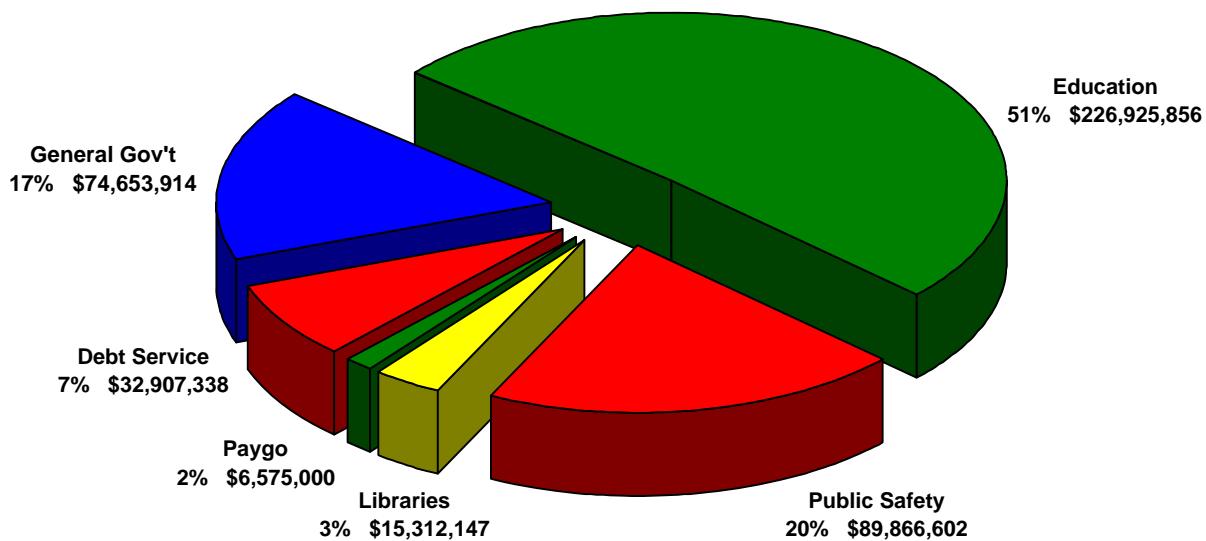
TOTAL GENERAL FUND REVENUES

446,240,857

GENERAL FUND APPROPRIATIONS

Fiscal Year 2009 - 2010

TOTAL APPROVED BUDGET \$446,240,857



FY 2010 APPROVED GENERAL FUND APPROPRIATION BREAKDOWN

| GENERAL GOVERNMENT: | 17% | 74,653,914 | EDUCATION: | 51% | 226,925,856 |
|------------------------------|------------|------------|---------------------------------|-----|-------------|
| County Executive | 1,599,462 | | Board of Education | 47% | 210,914,800 |
| Administration | 11,619,189 | | Harford Community College | 4% | 15,939,806 |
| Procurement | 3,971,424 | | School for the Blind | | 71,250 |
| Treasury | 3,963,429 | | | | |
| Law | 1,839,675 | | | | |
| Planning & Zoning | 3,623,853 | | | | |
| Human Resources | 1,770,758 | | Sheriff | | 63,720,480 |
| Community Services | 7,348,057 | | Emergency Services | | 9,292,838 |
| Handicapped Centers | 2,298,730 | | Volunteer Fire Companies | | 9,067,456 |
| Gov't. & Community Relations | 535,114 | | Inspections, Licenses & Permits | | 3,788,443 |
| Health | 4,079,918 | | Environmental Services | | 3,019,676 |
| Housing | 611,174 | | Water Resources | | 977,709 |
| Council | 2,181,756 | | | | |
| Judicial | 2,687,521 | | | | |
| State's Attorney | 5,238,693 | | | | |
| Elections | 1,355,040 | | | | |
| Parks & Recreation | 9,172,977 | | | | |
| Natural Resources | 608,358 | | | | |
| Economic Development | 2,192,760 | | | | |
| Benefits | 3,680,937 | | | | |
| Appropriation to Towns | 2,569,184 | | | | |
| Appropriation to State | 1,555,905 | | | | |
| Rural Legacy Program | 50,000 | | | | |
| Contingency Reserve | 100,000 | | | | |
| | | | LIBRARY | 3% | 15,312,147 |
| | | | PAYGO | 2% | 6,575,000 |
| | | | DEBT SERVICE | 7% | 32,907,338 |

TOTAL GENERAL FUND APPROPRIATIONS

446,240,857

GENERAL FUND HIGHLIGHTS

| | | | |
|------------------------------|----------------------|------------------------------|----------------------|
| FY 09 APPROVED BUDGET | \$472,316,523 | FY 10 APPROVED BUDGET | \$446,240,857 |
|------------------------------|----------------------|------------------------------|----------------------|

CHANGE

(\$26,075,666)

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 (91%) of our projected General Fund Revenues come from Property Taxes and Income Taxes.

| | | | | |
|-----------------------|----------------|---------------|-------|---------------------|
| PROPERTY TAXES | FY 10 Approved | \$248,980,529 | 55.8% | of the General Fund |
| | FY 09 Approved | \$228,144,502 | 48.3% | of the General Fund |
| | \$ growth | \$20,836,027 | | |
| | % growth | 9.13% | | |

Maryland State law provides that all real property is subject to a property tax; properties are assessed by the State on a triennial system, and owners are notified by the Maryland Department of Assessments and Taxation of any change in their assessment. These assessments are certified to local subdivisions where they are converted into property tax bills by applying the appropriate property tax rate.

In recent years the assessable base and property tax revenue experienced extraordinarily strong growth not seen since the late 1980's. This growth, like the growth of twenty years ago, was driven primarily by rising residential property values. The real estate market has been cooling down since 2006; however, Harford County's property tax revenues remain strong and should continue to grow.

The County Council adopted Resolution No. 06-09 on May 29, 2009 which reduces the property tax rate from \$1.082 to \$1.064 for real property and a decrease in corporate / personal property rate from \$2.705 to \$2.660. This decrease in the property tax rate results in an estimated (\$5,521,253) less projected revenues for FY 2010.

| | | | | |
|---------------------|----------------|----------------|-------|---------------------|
| INCOME TAXES | FY 10 Approved | \$155,293,037 | 34.8% | of the General Fund |
| | FY 09 Approved | \$177,585,778 | 37.6% | of the General Fund |
| | \$ decline | (\$22,292,741) | | |
| | % decline | (12.55%) | | |

We receive approximately 90% of Income Tax in quarterly distributions of withholdings and estimated payments. These receipts have been declining for most of FY 08 and FY 09, largely due to the slowdown in the overall economy, which is projected to continue into FY 10 as the credit crunch, falling capital gains, rising unemployment and a downturn in consumer spending combine to limit the growth of taxable income.

| | | | | |
|-----------------------|----------------|----------------|-------|---------------------|
| OTHER REVENUES | FY 10 Approved | \$41,967,291 | 9.4% | of the General Fund |
| | FY 09 Approved | \$66,586,243 | 14.1% | of the General Fund |
| | \$ decline | (\$24,618,952) | | |
| | % decline | (36.97%) | | |

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

| | FY 09 Funding | FY 10 Funding | Change |
|---|--------------------------|--------------------------|----------------|
| <u>General Fund Support of Solid Waste Management Services</u> | (\$845,297) | (\$3,213,995) | (\$2,368,698) |
| Most solid waste management activities are mandated by Federal and State regulations, yet avenues for imposing fees are limited by law and the market place. For FY 09 this resulted in the need to support with General Fund revenues amounting to \$845,297. For FY 10, the anticipated decrease in the steam revenue requires a larger General Fund contribution of \$3,213,995. | | | |
| <u>Fund Balance Appropriated</u> | \$20,340,225 | \$2,038,000 | (\$18,302,225) |
| Governmental funds report the difference between their assets and liabilities as fund balance, which is divided into reserved and unreserved. The function of reserved is simply to isolate that portion of fund balance that is not available for the following period's budget. The unreserved portion can be used in future budgets. Management can make designations of the unreserved fund balance as intended future use of resources. One such designation is the 5% reserve for credit rating purposes in the General Fund. | | | |
| <u>Investment Income</u> | \$2,614,441 | \$3,297,029 | \$682,588 |
| Revenues from investments are reflective of the size and composition of the County's portfolio and the rate of return. For FY 10, a projected increase is anticipated, based on growth of the portfolio and an expected slight increase in rate of return. | | | |
| <u>Recordation Tax / Transfer Tax</u> | \$16,523,316 | \$8,601,000 | (\$7,922,316) |
| The slow down in housing sales and new home construction has slowed the growth in both recordation and transfer tax collection. As a result, a decrease in the amount of the revenue available for school debt service expenses is expected for FY 10. | | | |
| <u>All "Other" Revenues combined</u> | \$27,953,558 | \$31,245,257 | \$3,291,699 |
| These include: Licenses and Permit sales, State Shared Revenues, Interest Income, etc. | | | |

EXPENDITURES

As FY 2009 began, with the major declines in revenues previously discussed, we immediately began belt tightening to get through the year. This included establishing two committees. A Personnel Action Committee chaired by the County Executive, which reviews and approves or denies every requested personnel change. An Expenditure Oversight Committee was also established to review and approve or deny every expenditure of County departments. The Director of Administration, the Treasurer, the Director of Procurement and the Chief of Budget serve on this committee. In addition, each County department was asked to turn back up to 5% of their FY 2009 Operating Budgets. Many of these departments are labor intensive, with a majority of their funds appropriated for salaries and benefits. In order to avoid layoffs, these departments were allowed to turn back a percentage up to the point of having to eliminate staff. County departments were not asked to carry this burden alone, the Board of Education, Harford Community College, the Sheriff's Office and the Library system were asked to participate. They all generously and willingly cooperated.

With the fiscal realities of FY 2009 in mind we began developing the FY 2010 Operating and Capital Budgets. The Administration's number one priority was maintaining citizen service, particularly in the areas of Public Safety and Education. From the beginning of the process we made more drastic cuts in funding than ever before in Harford County Government's history. We had to make priority funding decisions. Increases were not automatic and each expense was examined for need and merit. We made changes limiting travel and training, reduced departmental funding for certain materials and supplies, and challenged our staff to find new and more economical ways to conduct business.

In December, after the departments had received their base budgets for FY 10 as recommended by the Budget Office, the economic picture worsened. This, in addition to monitoring various proposals being made by the Governor and the State General Assembly to pass along some of the State's budget problems to Maryland local governments, forced us to make further cuts to the base budget. We took the stand that every savings option was on the table for discussion. A number of our cost savings measures directly affected County employees:

- o Health Care Costs - the County's share of Health Care coverage expenses is predicted to increase 13% for FY 10. Employees hired prior to July 1, 2008 will have their share of premium expense increased up to 10% depending on their plan. This is the second year of a two year phased-in increase. Employees hired after July 1, 2008 already pay up to 12% of the premium cost.
- o Retiree Health Care - with healthcare costs continuing to rise, which includes the costs for Other Post Employment Benefits (OPEB), the Administration changed the policy to require twenty years of service with Harford County Government before a retiree is eligible to receive a County contribution of up to 90% of the retiree's and their spouse's healthcare cost.
- o Temporary Positions - some employees who have been held in "Temporary" positions for a long period of time were converted to "Permanent" status, and some staff who are paid from grants that are ending, became permanent County employees. Most were put in existing vacancies, so as not to grow the size of the workforce.
- o Abolishing Positions - the conversion of temporary and grant employees will not result in any new positions being created. There is in fact, a net decrease of (3.95) vacancies being abolished.
- o Overtime Funding - has been restricted and the use of compensatory time will be encouraged where appropriate.
- o Training - our management training program will not be conducted in FY 10. All other training and its related expenses like travel, lodging, books and periodicals have been strictly limited, with allocations provided almost exclusively to maintain specifically required licenses and certifications.
- o Uniform allowance will be deferred for the fiscal year (except for Sheriff's Office) and Tuition Reimbursement will be suspended for FY 10.
- o House Keys 4 Employees - a County program to assist staff of Harford County Government, Harford County Public Schools, Harford Community College, and the Libraries, plus the Volunteer Fire Company members, who are first time homebuyers, with a grant to be used for settlement and closing costs will not be funded for FY 10.
- o Furloughs - the FY 10 Operating Budget includes five furlough days for all government employees exclusive of Public Safety and Education. While every effort was made to avoid affecting services to our citizens, limited revenues made closing down operations and buildings, and curtailing services for those days a necessity.

The County Council's adoption of the FY 2010 Budget included their amendments that cut an additional 5% from the General Fund departmental operating budgets. The Council's amendments were defined dollar reductions to specific departments and agencies that brought the total average cut to these departments to over 12%. These additional cuts required the Administration to reduce services and lay off 34 county employees, in addition to the cost saving measures listed above which were already reflected in the FY 2010 Budget.

GENERAL FUND DEPARTMENTAL HIGHLIGHTS

| THE BOARD OF EDUCATION | FY 09 FUNDING | FY 10 FUNDING | \$ | CHANGE % |
|------------------------|------------------|------------------|-----|-------------|
| | \$210,914,800 | \$210,914,800 | \$0 | 0.0% |

For FY 10, with a decline in projected student enrollment, Harford County's Maintenance of Effort funding requirement is zero. The Board of Education is faced with a projected \$5 million increase in health benefit costs for FY 10 and operating expenses for the new Bel Air High School building, which will be complete and ready to open in August, 2009. The Board of Education has been most cooperative in working with the County Administration to cope with the current economic realities. This budget maintains the FY 2009 funding level for the Board of Education's operating expenses.

In order to fund the 7% increase in health and dental insurance and a 10% increase in retirement / pension costs, many areas of the Board of Education's budget were reduced: salary savings will be realized as a result of turnover and retirements; there will be less use of substitutes in schools and a decrease of 25% in professional development for the teaching staff and other positions; only existing positions will be filled with new positions being created; and the per-pupil allotment of instructional supplies and materials will be flatlined. Patterson Mill Middle / High School will start a 12th grade class in the next fiscal year and staffing will be reallocated among secondary and elementary schools based on need. International Baccalaureate additional staffing will be reallocated based on overall system-wide needs.

| | FY 09 FUNDING | FY 10 FUNDING | CHANGE \$ | % |
|----------------------------------|---------------------|---------------------|--------------------|--------------|
| HARFORD COMMUNITY COLLEGE | \$16,778,743 | \$15,939,806 | (\$838,937) | -5.0% |

Harford Community College also made adjustments as a result of the economic times. The College turned back 5% of its original FY 09 allocation to help with the current year and is prepared to manage with the same (\$838,937) decreased allocation for FY 10.

There are no capital projects included for the College for FY 10. There are future plans in the Capital Improvement Program which will hopefully be implemented once the economy improves.

| | FY 09 FUNDING | FY 10 FUNDING | CHANGE \$ | % |
|------------------|---------------------|---------------------|----------------------|--------------|
| LIBRARIES | \$16,667,988 | \$15,312,147 | (\$1,355,841) | -8.1% |

During these hard economic times use of our Library System has increased dramatically. Citizens are borrowing rather than buying books and movies. Computer services at the branches are in demand and staff has been called upon to assist with resume writing and job research. The Library system was very cooperative in coping with fiscal constraints during FY 09 by returning (\$532,071) over 3% of their funding.

Funding was proposed for the Library at the FY 09 reduced level in the Executive's Proposed budget for FY 10. This reduction was further compounded for the Library System by an anticipated (\$102,197) decrease in State funds, six months of new operating expenses associated with expansion of the Whiteford Branch, a 13% increase in health benefit costs, and projected increases in utility bills. These additional items meant reducing other expenses by another (\$603,424) for a total of (\$1,135,495).

When the County Council chose to cut FY 10 funds by another 5%, this action required the Library to take drastic steps to reduce expenses. The Library plans on: five furlough days for all staff, freezing vacancies; elimination of Sunday hours at all branches; reduction in hours of operation at most branches; decreasing hours for page and substitute staff; reductions to professional development, tuition reimbursement, materials and equipment; closing the library store in Bel Air; a reduction in scope of Staff In-Service Day; fewer security services; elimination of summer reading program assistants; and less personnel recruitment efforts.

While no capital projects are included for the Libraries in FY 10, future plans are included in the Capital Improvement Program for funding in better economic times.

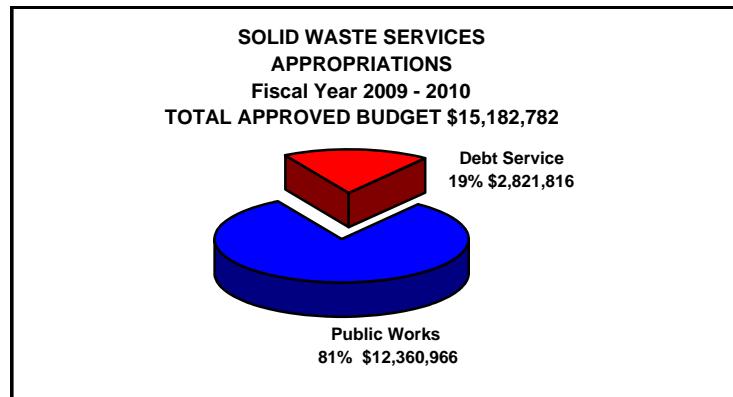
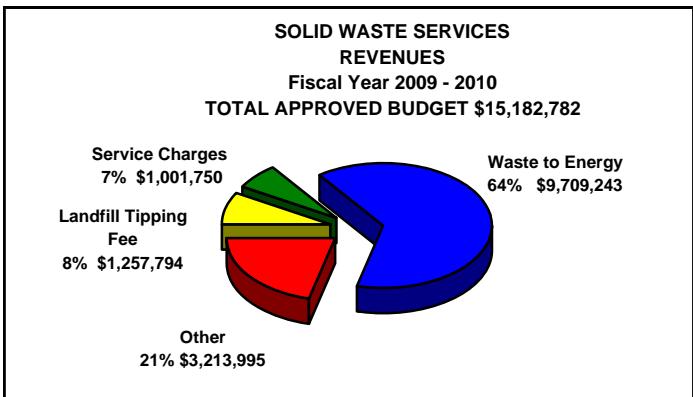
| | FY 09 FUNDING | FY 10 FUNDING | CHANGE \$ | % |
|-------------------------|---------------------|---------------------|--------------------|-------------|
| SHERIFF'S OFFICE | \$62,609,210 | \$63,720,480 | \$1,111,270 | 1.8% |

The Administration's commitment to Public Safety is evident in the \$1 million increase for the Sheriff's Office providing for:

- o \$453,650 to annualize 10 new deputy positions funded for 7 pays in FY 09
- o \$88,223 to pay for electricity charges estimated to increase 6% in cost and usage for the expanded Detention Center
- o \$641,210 in increased funding for the Medical Services contract at the Detention Center, pre-employment exams, random toxicology screenings and K-9 veterinary costs
- o \$684,488 to continue fleet management rentals
- o (\$578,651) in contributions to the County's Self Insurance Fund, funding suspended for FY 10 due to the state of the economy

| | FY 09 FUNDING | FY 10 FUNDING | CHANGE \$ | % |
|---------------------------------|--------------------|--------------------|--------------|-------------|
| VOLUNTEER FIRE COMPANIES | \$9,067,456 | \$9,067,456 | \$0 | 0.0% |

The Volunteer Fire Companies did not request a funding increase from the County for FY 10; this spirit of cooperation and partnership is sincerely appreciated. The budget still provides: a funding allocation to each company; support for the EMS foundation; workers' compensation insurance coverage; training; and support services. \$50,000 is included for the second year as a grant to the University of Maryland Shock Trauma's capital campaign.

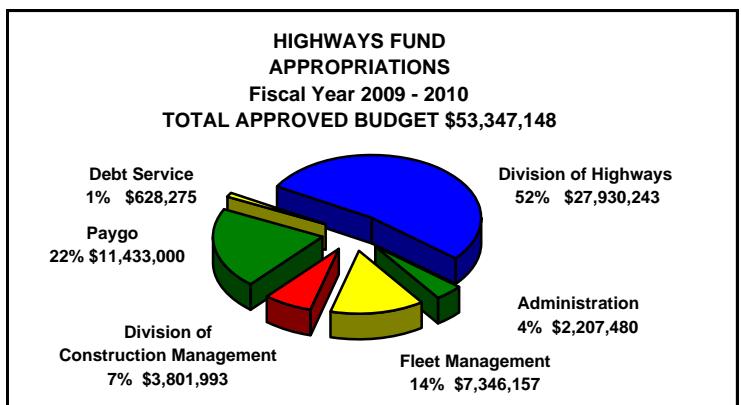
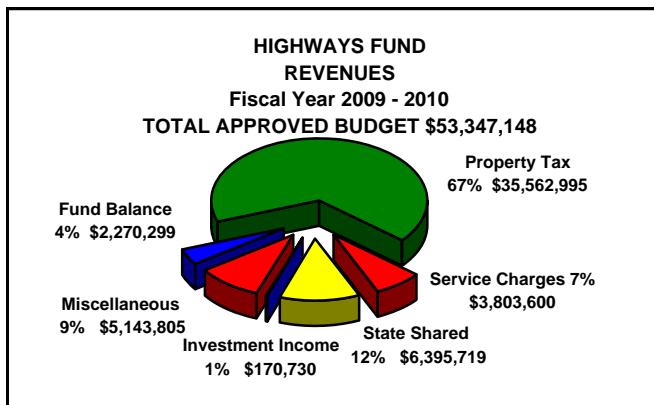


| FY 09 APPROVED BUDGET | \$15,008,807 | FY 10 APPROVED BUDGET | \$15,182,782 | CHANGE | \$173,975 |
|-----------------------|--------------|-----------------------|--------------|--------|-----------|
|-----------------------|--------------|-----------------------|--------------|--------|-----------|

The Solid Waste Services account records direct revenues and expenses pertaining to the County's management of the disposal of solid waste. The County's Environmental Services Division of the Department of Public Works manages the Harford Waste Disposal Center (HWDC), also known as Scarboro Landfill. Staff, their ancillary expenses and the Center's operating costs are funded with Solid Waste Services revenue derived from the sale of steam; tipping fees; the disposal of tires, batteries, scrap metal, and other items; and from the sale of mulch and compost produced by recycling yard waste.

The County, through the Northeast Maryland Waste Disposal Authority (NMWDA) has entered into a lease purchase and retrofitting of the Waste-to-Energy Plant. The debt service, combined with the management fees for the operation and maintenance of the facility account for an increase of \$352,328 for FY 10. Other funding adjustments include \$227,528 in additional fleet lease costs; (\$44,206) less for Temporary salaries mainly due to the elimination of two vacant landfill worker positions; (\$134,263) will be saved in Overtime expense; (\$48,333) is reduced in corresponding Workers Compensation and FICA charges; and a (\$40,000) reduction for operating equipment repair expenses as in-house mechanics will now be handling the repairs.

The FY 10 budget provides (\$24,000) less in equipment but allocates sufficient funds for replacement of two 50 yard roll off containers

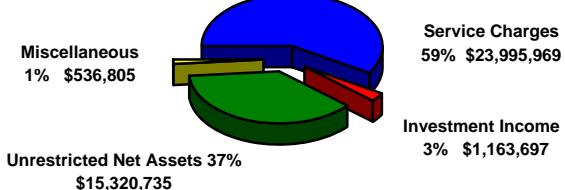


| FY 09 APPROVED BUDGET | \$58,610,332 | FY 10 APPROVED BUDGET | \$53,347,148 | CHANGE | (\$5,263,184) |
|-----------------------|--------------|-----------------------|--------------|--------|---------------|
|-----------------------|--------------|-----------------------|--------------|--------|---------------|

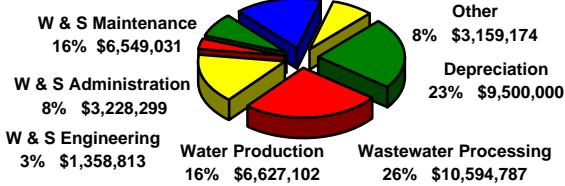
For FY 10 the major reductions in the Highways Fund are the result of: (\$799,162) being eliminated by abolishing eleven vacant full-time permanent positions and their associated benefits; (\$500,000) being reduced for Grounds Maintenance expenses with plans to cut mowing and other services to two fifths of their current levels; (\$1,000,000) in funding for gasoline based on usage and anticipated lower prices; (\$403,000) in the allocation for the County's Fleet Maintenance contract being reduced based on expense history; (\$121,620) less for Sand, Salt, and Other De-Icer products and (\$150,000) less for diesel fuel both adjusted based on spending patterns; (\$101,010) will be saved by delaying the purchase of new equipment for FY 10; (\$228,970) less in Highways Funds being provided to the General Fund in Pro Rata charges for administrative services; and (\$804,004) less in Highways Paygo funds being needed to support the Approved FY 10 Capital Budget.

Highways funding used to support Board of Education transportation related capital projects is decreased (\$85,000) for replacement buses while the reimbursement for the Traffic Safety Unit of the Sheriff's Office increased \$45,853.

**WATER & SEWER
OPERATING FUND REVENUES
Fiscal Year 2009 - 2010
TOTAL APPROVED BUDGET \$41,017,206**



**WATER & SEWER OPERATING
FUND APPROPRIATIONS
Fiscal Year 2009 - 2010
TOTAL APPROVED BUDGET \$41,017,206**



FY 09 APPROVED BUDGET

\$45,635,058

FY 10 APPROVED BUDGET

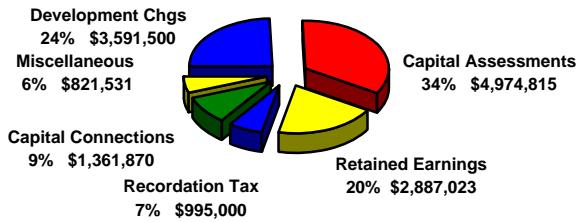
\$41,017,206

CHANGE **(\$4,617,852)**

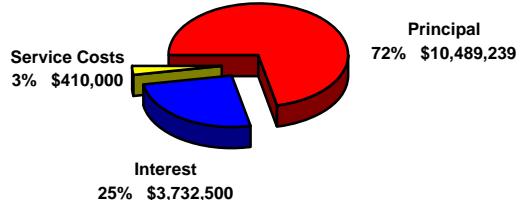
The Water and Sewer Operating Fund was established as a self-sustaining utility to account for water and sewer services provided by Harford County Government. For the purpose of securing revenue to maintain, repair and operate its water supply, sewerage or drainage systems, and other expenses, including depreciation allowances, the County is authorized by the Charter to make various service charges for water, sewer and drainage service and a charge for water used, and may impose late fees on bills that remain unpaid. Revenue is also generated by both Water and Sewer User Charges.

Water and Sewer appropriations are approved at (\$4,617,852) less than for FY 09 as a result of the following: \$287,649 is added to cover an anticipated 21% increase in the cost of Chemicals in Bulk; (\$100,000) for Unanticipated Maintenance being reduced based on historical use of the account; (\$108,875) in allocations to purchase water meters and (\$110,000) less funding to purchase grates and manhole covers being planned for FY 10; (\$403,418) less for equipment purchases although the \$398,000 approved allocation provides for wells, and well improvements, generators, pumps, leak detection equipment and various other items; (\$781,250) less for Depreciation as recent years capital budgets have included construction of fewer assets; and (\$2,510,000) less in Water and Sewer Paygo funds being required to support the FY 10 Approved Capital Budget.

**WATER & SEWER DEBT
SERVICE FUND REVENUES
Fiscal Year 2009 - 2010
TOTAL APPROVED BUDGET \$14,631,739**



**WATER & SEWER DEBT SERVICE
APPROPRIATIONS
Fiscal Year 2009 - 2010
TOTAL APPROVED BUDGET \$14,631,739**



FY 09 APPROVED BUDGET

\$16,690,091

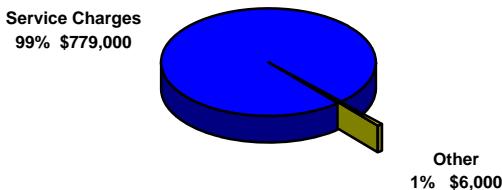
FY 10 APPROVED BUDGET

\$14,631,739

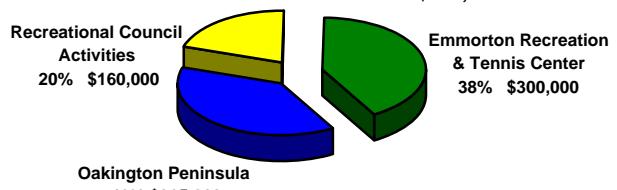
CHANGE **(\$2,058,352)**

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 and Sewer System. Revenues for the funds are derived from: water and / or sewer connections; development charges; Recordation Tax receipts; Biological Nutrient Removal fees; septic system permits; surcharges or assessments on specific projects; investment income; plus interest and penalties. The decrease in funding for FY 10 is a result of the Principal and Interest payments adjusted to amounts due on outstanding debt.

**PARKS & RECREATION
SPECIAL REVENUES
Fiscal Year 2009 - 2010
TOTAL APPROVED BUDGET \$785,000**



**PARKS & RECREATION
SPECIAL REVENUE
APPROPRIATIONS
Fiscal Year 2009- 2010
TOTAL APPROVED BUDGET \$785,000**



FY 09 APPROVED BUDGET

\$756,903

FY 10 APPROVED BUDGET

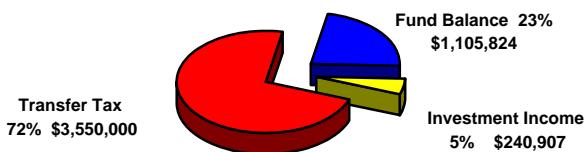
\$785,000

CHANGE

\$28,097

Parks & Recreation Special Fund Revenues are derived from fees, rentals of and / or contributions to the Emmorton Recreation & Tennis Center, the Oakington Peninsula, the McFaul Senior / Youth Center's skateboard facility, and the Showmobile, as well as special Recreation Council activities. The Parks and Recreation Special Revenue Fund increases \$28,097 as a result of adjusting various expenditure line items based on actual expense history.

**COUNTY - AG PRESERVATION
REVENUES
Fiscal Year 2009 - 2010
TOTAL APPROVED BUDGET \$4,896,731**



FY 09 APPROVED BUDGET

\$7,275,868

FY 10 APPROVED BUDGET

\$4,896,731

CHANGE (\$2,379,137)

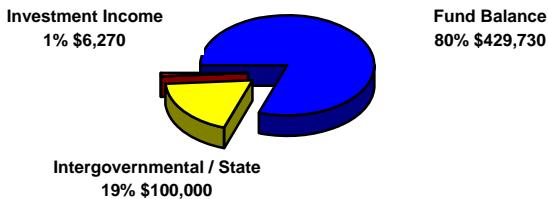
County Council Bill No. 93-3 added Article IV, Transfer Tax, to Chapter 123, Finance and Taxation, of the Harford County Code which imposes a 1% Transfer Tax on any instrument of writing that conveys title to, or a leasehold interest in, real property, effective July 1, 1993. The proceeds are to be distributed

- o **50% to the County's Agricultural Land Preservation Program**
- o **50% to fund school site acquisition, school construction, or school debt service**

The Harford County Agricultural Land Preservation Program was established in 1993 to preserve productive agricultural land and woodland which provide for the continued production of food and fiber for the County, by allowing land owners to preserve farmland for future generations via conservation easements. The County, using primarily Transfer Tax revenue, enters into installment contracts to purchase development rights; the landowners receive payments and / or a tax credit.

Recent changes to the program further demonstrate the County's commitment to Agricultural Preservation. We increased the base value and cap associated with the per acre price from \$10,000 to \$15,000, and a price per Development Right of \$135,000 is being offered. These changes resulted in a major influx of applications for the program. When we started FY 08 we had appropriations of \$12.4 million for purchases, with the increase in applications we will use up these funds and most of our June 30, 2007 available fund balance. For FY 09 we reduced appropriations by (\$10,658,885) to a total of \$1,708,683 and again for FY 10 by (\$1,203,652) to \$505,031.

**STATE - AG PRESERVATION
REVENUES
Fiscal Year 2009 - 2010
TOTAL APPROVED BUDGET \$536,000**



FY 09 APPROVED BUDGET

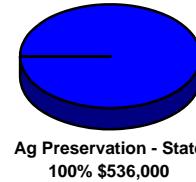
\$815,017

FY 10 APPROVED BUDGET

\$536,000

CHANGE (\$279,017)

**STATE - AG PRESERVATION
APPROPRIATIONS
Fiscal Year 2009 - 2010
TOTAL APPROVED BUDGET \$536,000**



**Ag Preservation - State
100% \$536,000**

Intergovernmental Revenues, for the State Agricultural Preservation Fund, come from the State Agricultural Land Transfer Tax, imposed on all transfers of title or agricultural land taken out of production. The Maryland Agricultural Land Preservation Foundation (MALPF) was created in 1977 by the Maryland General Assembly to preserve productive agricultural land and woodland, via the Purchase of Development Rights, to provide for the continued production of food and fiber for all citizens of the State and to curb the random expansion of urban development. Investment Income revenue is projected based on actual receipt history and an anticipated growth in interest rates.

MALPF, along with the Maryland Department of Planning, co-administers the Certification of Local Agricultural Land Preservation Programs. Local subdivisions are required to collect the revenue generated by the State Agricultural Land Transfer Tax; these funds are then shared with the local jurisdictions as follows

- ◊ Maryland counties, without Certified Agricultural Land Preservation Programs are required to remit two-thirds of the revenue to MALPF. They retain one-third for agricultural land preservation purposes
- ◊ Counties that have a Certified Local Agricultural Land Preservation Program may retain 75% of the Agricultural Transfer Tax collected, for preservation purposes, and are required to remit only 25% to the Foundation

Harford County's Agricultural Land Preservation Program is Certified. For FY 10 it is projected that the County will collect \$100,000 in State Agricultural Land Transfer Tax receipts. The County will remit \$25,000 to the State and the County will retain \$75,000.

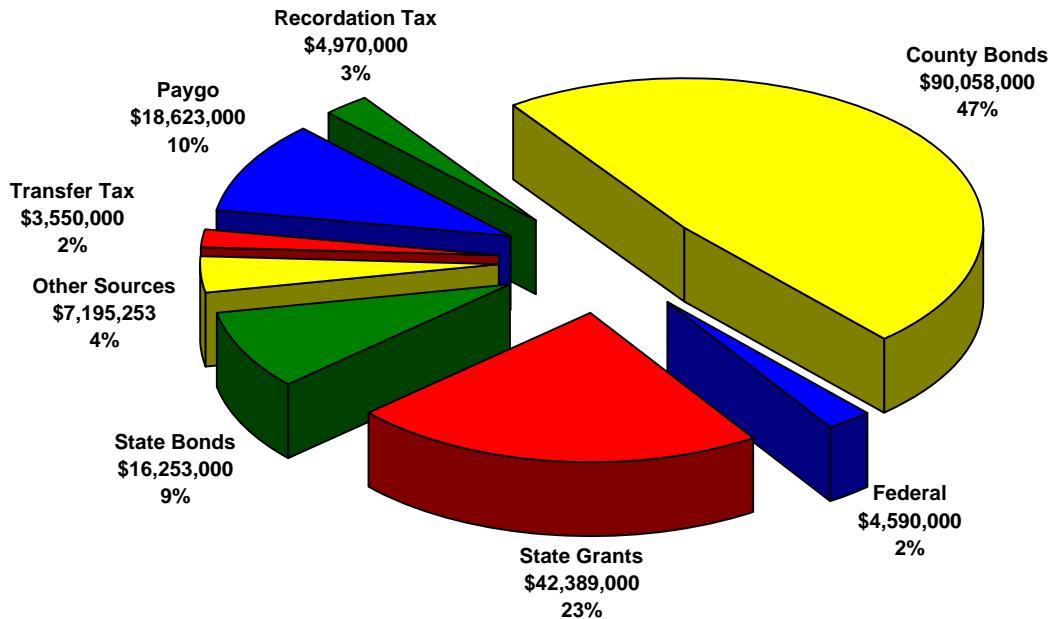
The County will use \$30,000 of this revenue to offset the salary and benefits of a Planner III, who serves as Harford County's Program Administrator

Harford County's match to MALPF for easement purchases the foundation will make on the County's behalf will be \$498,250, demonstrating this Administration's commitment to preserving Harford County's farmland.

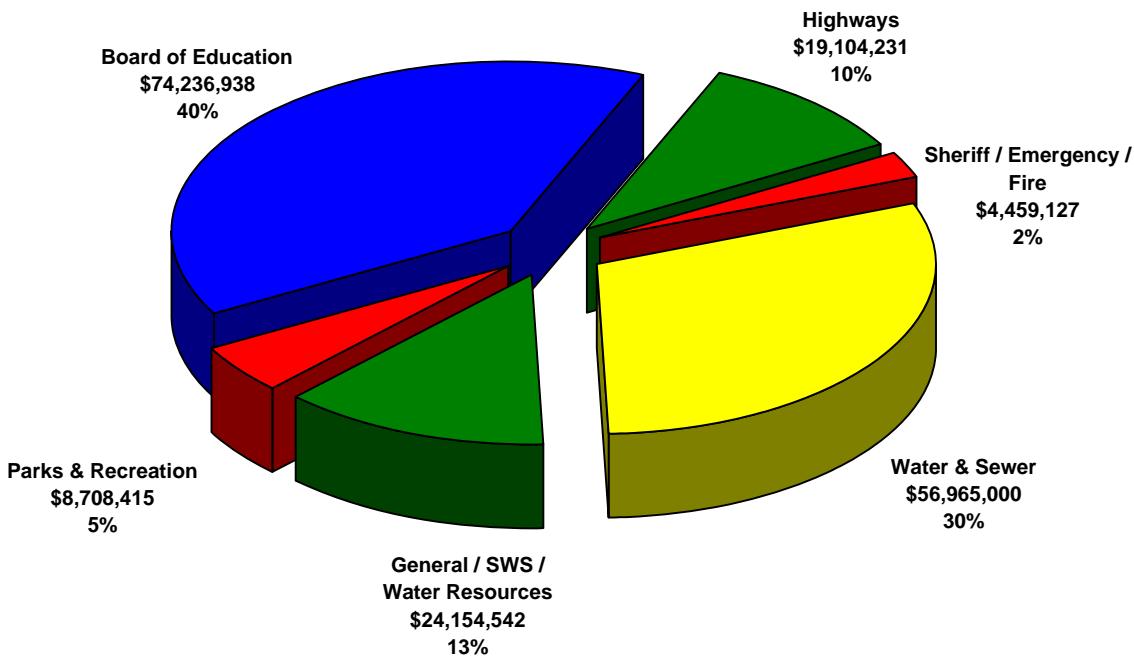
By July 2009 the County will have purchased an estimated 44,577 acres of farm land through the County and State Agricultural Preservation Programs

**FY 2009 - 2010 APPROVED CAPITAL BUDGET
REVENUES & APPROPRIATIONS**

REVENUES
TOTAL BUDGET \$187,628,253



APPROPRIATIONS
TOTAL BUDGET \$187,628,253



HIGHLIGHTS OF THE FY 2009-2010 CAPITAL BUDGET PROGRAM

BOARD OF EDUCATION



Capacity:

| | |
|---------------------------------|-----------|
| Deerfield Elementary School | |
| Modernization / Addition | 5,000,000 |
| Red Pump Road Elementary School | 7,275,000 |
| Relocatable Classrooms | 735,000 |

Vehicles:

| | |
|----------------------|-----------|
| Replacement Buses | 1,045,000 |
| Replacement Vehicles | 262,638 |

Other:

| | |
|-----------------------|-----------|
| Music Refresh Program | 50,000 |
| Textbook Refresh | 1,600,000 |

Technology:

| | |
|--|-----------|
| Career and Technical Equipment Refresh | 100,000 |
| Technology Infrastructure | 2,612,112 |

Repairs / Renovations:

| | |
|-------------------------------------|------------|
| ADA Improvements | 100,000 |
| Backflow Prevention | 100,000 |
| Bel Air Elementary Site Improvement | 650,000 |
| Bel Air High School Replacement | 12,765,000 |
| Bleacher Replacement | 100,000 |
| Edgewood High School Replacement | 37,233,115 |
| Environmental Compliance | 100,000 |
| Equipment and Furniture | 80,000 |
| Fire Alarm and ER Communications | 75,000 |
| Locker Replacement | 110,000 |
| Major HVAC Repairs | 850,000 |
| Paving - Overlay and Maintenance | 100,000 |
| Playground Equipment | 350,000 |
| Roof Replacement (Southampton MS) | 1,496,250 |
| Security Cameras | 200,000 |
| Septic Pre-Treatment Facility | |
| Code Upgrade | 1,325,413 |
| Southampton Middle School HVAC | 1,144,000 |
| SWM, Erosion, Sediment Control | 50,000 |
| Swimming Pool Renovations | 100,000 |



SOLID WASTE SERVICES

Permitting, engineering, construction, and the purchase of any additional buffer area for future expansion of the Harford Waste Disposal Center

| | | |
|-----------|--|---------|
| 7,100,000 | Design & construction of a stormwater management retrofit & stream restoration at Edgewood Plaza | 450,000 |
|-----------|--|---------|

Planning, design & construction of the capping system required to close completed landfill cells

| | | |
|---------|---|-----------|
| 400,000 | Maintenance and Repair of dams | 15,000 |
| | Retrofit of stormwater management facilities | 50,000 |
| | Design & construction of stream restoration at Sunnyview Stream | 200,000 |
| | Stream Valley Buffer Enhancement | 25,000 |
| | Wheel Creek Watershed Restoration | 1,454,607 |

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

HIGHLIGHTS OF THE FY 2009-2010 CAPITAL BUDGET PROGRAM



SHERIFF / EMERGENCY / FIRE

GENERAL PROJECTS

| | | | |
|--|-----------|--|------------|
| Construction funds to expand the Detention Center | 2,680,000 | A project to allow the collection of Recordation Tax for the payment of Debt Service on education capital projects or pay-as-you-go funding for education projects | 13,034,352 |
| Engineering services and equipment to test the integration of 700 MHz frequencies with our existing 800 MHz system | 375,000 | | |
| Appropriation authority to accept State funds derived from a twenty-five cent charge on 911 calls | 100,000 | Expansion of Auditoriums in schools | 800,000 |
| Engineering, design, and construction funding for a substation at Patterson Mill | 950,000 | Planning, designing, and construction of a Southern Resource Annex campus for the new Southern Sheriff's Precinct and other community services | 2,875,000 |
| Self-contained Breathing Apparatus (SCBA) Equipment Replacement | 155,000 | | |
| Funds for systemic repairs, roofs, paving etc. for existing fire stations | 500,000 | | |



PARKS AND RECREATION

| | | | |
|---|-----------|---|-----------|
| Anita C. Leight Center Improvements | 50,000 | Forest Hill / Hickory Activities Center Renovations | 100,000 |
| Belcamp Park Improvements | 200,000 | Mariner Point Park Renovations | 125,000 |
| Bleacher Renovations | 100,000 | Natural Turf Improvements | 150,000 |
| Improvements to the Broad Creek Boat Launch Ramp | 69,000 | Nuttal Avenue Park Development | 200,000 |
| Construction of improvements and amenities at the Cedar Lane Sports Complex | 1,000,000 | Park Improvements | 125,000 |
| Churchville Center Renovations | 400,000 | Acquisition of land to be used as active and / or passive park sites | 450,000 |
| Further development of the Churchville Complex to construct a library / recreation building | 200,000 | Purchase and installation of playground equipment at various park areas and schools throughout the County | 295,000 |
| Eden Mill Park Rehabilitation | 250,000 | Development of the Schucks Road Regional Complex | 4,004,415 |
| Edgewood Recreation Park | 150,000 | Resurfacing and the reconstruction of tennis and multipurpose courts throughout the County | 240,000 |
| Equipment / Furnishings for the Fallston Senior Recreation Center | 400,000 | | |

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

HIGHLIGHTS OF THE FY 2009-2010 CAPITAL BUDGET PROGRAM



HIGHWAYS

| | | | | | |
|---|------------|-----------|--|-------------|-----------|
| Bridges: | 9 projects | 1,600,000 | Roadways: | 10 projects | 9,663,000 |
| Resurfacing / Rehabilitation of subdivision streets and repair or upgrade of County roads | | 6,300,000 | Replacement / rehabilitation / repair of existing culverts, headwalls, wingwalls, etc. throughout the County | | 400,000 |
| New Roads and Storm Drains | | 220,000 | Traffic Calming and Road Safety Improvements | | 200,000 |
| Sidewalks and Handicapped Ramps | | 400,000 | | | |
| Design and construction of storm drains to address various drainage problems | | 441,231 | Guardrail improvements and required traffic barriers to existing County roads | | 100,000 |



WATER PROJECTS

| | |
|---|---------|
| Havre de Grace Water Treatment Plant Upgrade | 100,000 |
| Magnolia Booster Station engineering / design funding | 200,000 |
| Site acquisition of needed land for the future development of Water and Sewer facilities to meet the demand of future growth inside the growth corridor | 800,000 |
| Design / construction of a Swan Harbor storage tank and transmission main and provide capacity for future growth with APG and the City of Aberdeen | 600,000 |
| Funding to provide for painting and repair of existing water tanks needing periodic renovations | 365,000 |

SEWER PROJECTS

| | |
|---|------------|
| Replacement of the Bill Bass Outfall Sewer | 800,000 |
| Construction of the fourth pump at the Bush Creek Pump Station | 19,800,000 |
| Church Creek Pump Station Incoming Sewer to provide sufficient capacity for the West Aberdeen area | 1,000,000 |
| Design and construction of the Edgewood Interceptor Sewer Parallel | 300,000 |
| Construction of ENR at the Joppatowne Wastewater Treatment Plant | 4,000,000 |
| ENR Refinement at Sod Run, will also include the design and construction of the new plant, pending Maryland Development of the Environment's approval | 37,500,000 |
| Design and construction of a replacement pump station in Green Ridge | 200,000 |
| Removal of excessive infiltration and inflow out of the Town of Bel Air | 100,000 |
| Improvements to the existing County pump stations | 100,000 |
| Removal of infiltration and inflow from the Upper Bynum Run Sewer system | 600,000 |

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

HARFORD COUNTY MISSION / VISION / GOALS AND STRATEGIC MANAGEMENT

The need to align department / agency strategic plans, budgets and performance measures with Countywide Mission, Vision, Goals, and Objectives has become increasingly clear. The following serves as a clear structure for identifying what we collectively would like to achieve, and how we envision the County when we are successful.

MISSION:

Harford County Government will preserve our traditions and promote the highest quality of life through efficient, honest, and responsive service to all citizens while planning for a prosperous and secure future.

VISION:

~ Preserving Harford's past; promoting Harford's future ~

GOALS and OBJECTIVES:

I. Public Safety - Ensuring a Safe Harford

To ensure Harford County's public safety providers have the necessary tools and training to meet the County's growing demand for emergency services.

Objectives:

Adopt ongoing retention and recruitment programs for paid and volunteer emergency services personnel that address competitive pay and benefits packages as well as morale and training needs.

Reduce crime by providing attractive alternatives to gang membership and drug use and targeting clean up of blighted areas.

Employ advanced and superior technology to improve response capabilities, provide for back-up systems, and foster the exchange of information between service providers.

Provide opportunities for inter-governmental partnerships which will share data and strengthen cooperation with law enforcement.

Plan, practice, and coordinate strategies between local and regional responders and create programs to educate the public to be prepared for emergency and disaster events.

II. Education - Preparing Now, Building for the Future

To make long term investments in education by ensuring that children have a safe and stimulating environment in which to learn and to encourage and promote the availability of academic and technical education programs that prepare all students to compete in the global marketplace.

Objectives:

Plan, fund, and build public educational facilities that stimulate the learning environment for students, faculty, and staff.

Focus on workforce development by fortifying relationships between business, government, and education communities.

Support the expansion of magnet school curriculum programs that center on cultural and commercial attributes found in each community.

Encourage the continuing development of higher education four year and beyond degree programs with Harford County.

Collaborate with public school administrators and community leaders to establish open decision making processes that allow for public trust and accountability.

III. Efficient County Government - Governing Smarter

Identify and develop best practices to maximize limited resources and improve the delivery of services to citizens, businesses, and government agencies.

Objectives:

Increase public confidence by focusing on customer satisfaction and cost-effective delivery of essential services.

Coordinate with other governmental agencies to prevent duplication of efforts, excessive costs, and lengthy processing times.

Encourage and expand opportunities for citizens to exchange ideas and learn about government initiatives and programs so the County can provide services and resources responsively and equitably.

Employ a ten-year master plan that promotes responsible stewardship of County assets and utilizes a comprehensive approach to identify and prioritize funding for Capital Improvements based on balancing and maintaining a consistent level of service.

Aggressively pursue innovative funding sources and opportunities to maximize use of taxpayer dollars.

Develop new programs, strengthen internal policies, and provide training that encourages County government employees to consistently provide courteous and skillful service to the citizens of Harford County.

HARFORD COUNTY MISSION / VISION / GOALS AND STRATEGIC MANAGEMENT

IV. Economic Opportunity - Growing and Sustaining Harford's Prosperity

Foster an environment within government that encourages financial opportunity and supports private sector ventures that diversify Harford's economic base in new and existing businesses.

Objectives:

Encourage balanced and appropriate economic development that provides high-quality employment and offers first-class retail and services located in areas designated by the Master Land Use Plan.

Establish incentives to encourage redevelopment and reinvestment in existing communities.

Identify additional opportunities and incentives for the preservation and viability of Harford's agricultural industry.

Maintain development guidelines and procedures that are consistently and fairly applied and allow for a range of business activities.

V. Environmental Stewardship - Protecting our Environment

To protect and preserve the County's environment through the efficient use and reuse of its resources.

Objectives:

Cultivate policies that stress soil conservation and help restore and sustain forest assets and watershed areas.

Promote intergovernmental coordination to protect regional water resources, open space, and conservation districts.

Encourage private sector energy conservation and environmental stewardship using legislation, financial incentives, and education.

Design and construct a comprehensive waste management program that protects human health, promotes energy recovery, and minimizes impacts to the natural environment.

Adopt a policy that supports fuel conservation and alternative energy sources in all County owned buildings and vehicles.

VI. Quality of Life - Safeguarding What is Important to Families and Friends

Cultivate life enhancing amenities and necessary infrastructure that enrich the lives of Harford County citizens and neighborhoods through sound planning practices, investments in parkland and recreation, and promotion of community spirit and cultural arts.

Objectives:

In partnerships with community based organizations, government agencies will build, operate, and maintain facilities and resources that encourage citizens to be self-reliant.

With a focus on managing growth, guide the continued creation of safe, adequate, and diverse housing stock that ensures equal opportunity and the availability of decent and affordable accommodations.

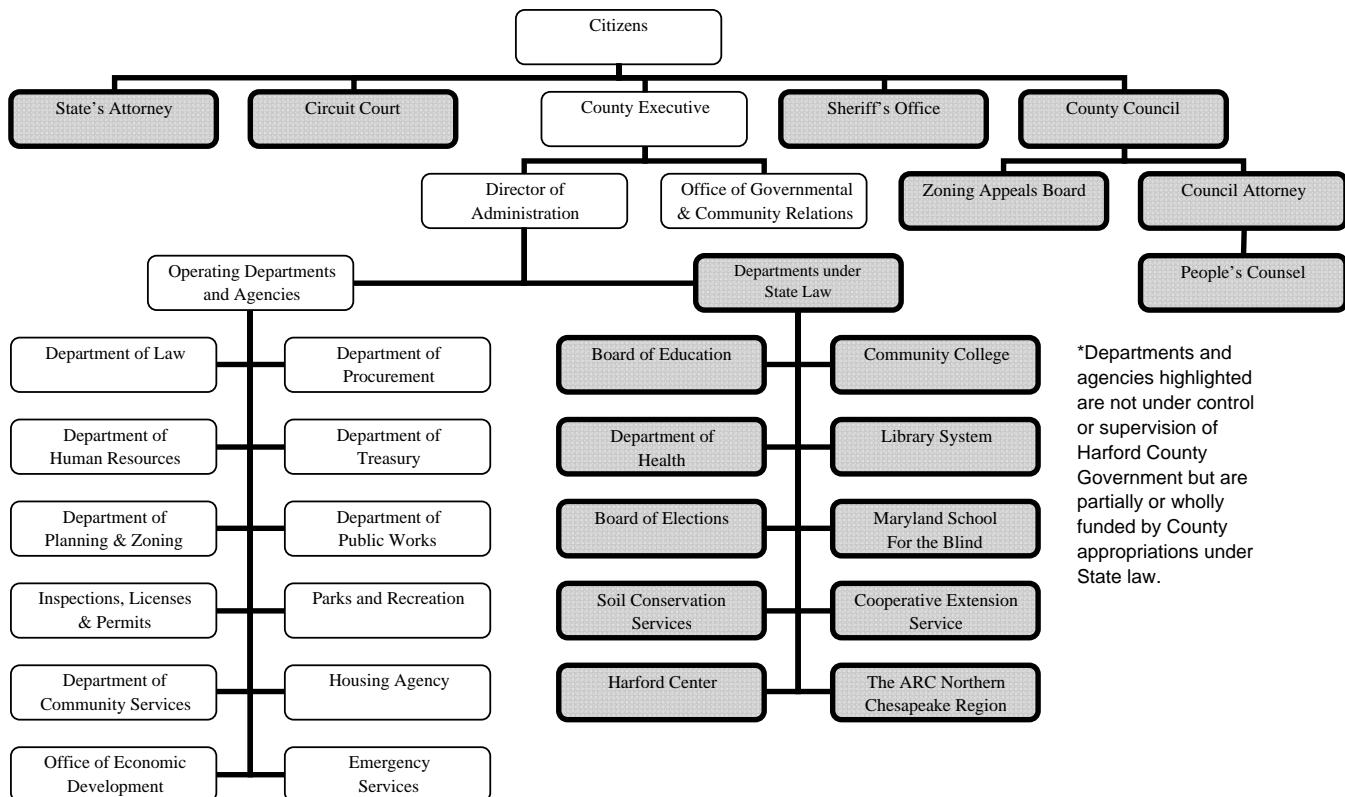
Encourage the growth of community spirit through the use of revitalization projects and create opportunities for neighborhoods to meet and discuss common concerns and desires.

Design and maintain locations and facilities that provide diversified leisure activities to meet current needs and anticipated growth.

Linking Strategic Planning to Performance Measurement

Harford County has instituted Performance Based Measurements since 1996. However, in an effort to portray a broader picture of efforts, we are revising our Performance Measure system. Our new system includes indicators of inputs, outputs, efficiency, quality, and effectiveness. The unfolding of this process, together with strategic planning, should form a solid foundation for managing results. Performance Measures can be found in Harford County's Fiscal Year 2009 - 2010 Operating Budget Book.

HARFORD COUNTY GOVERNMENT ORGANIZATION CHART



SERVICE STATISTICS

Fire/EMS

| | | | |
|-----------------------------------|---------|--------------------------|-----|
| # of Volunteers - Fire and EMS | 1,520 | # of Emergency Apparatus | 187 |
| # of Fire & EMS Responses | 32,132 | # of Fire / EMS Stations | |
| # of Police Responses | 143,618 | Main Stations | 12 |
| # of 911 Calls | 101,959 | Substations | 15 |
| # of Hazardous Material Incidents | 329 | | |
| EOC Activations / Exercises | 12 | | |



Police (Sheriff)



| | |
|----------------------------------|-----|
| # of Law Enforcement Officers | 290 |
| # of Community Policing Programs | 311 |
| # of Neighborhood Watch Programs | 39 |
| # of Police Facilities | 17 |

Public Works



| | |
|--|------------|
| Miles of Streets Maintained by County | 1,044 |
| # of Street Lights | 5,332 |
| # of Snow Routes | 75 |
| # of Bridges | 222 |
| Daily average water consumption in gallon | 10,500,000 |
| Daily average effluent treatment in gallon | 12,000,000 |
| Tons of recycled materials collected annual | 187,249 |
| Tons of solid waste processed annual (Includes HWDC Landfill and WTE Plant) | 143,217 |

Transportation

| | |
|------------------------|---------|
| Annual Ridership | 291,577 |
| # of Vehicles | 32 |
| Vehicle Miles Traveled | 684,957 |

Distance



| | | |
|---------------------------------|---------------------------------|-----------|
| Distance to Harford County from | Wilmington, Delaware..... | 40 miles |
| | Washington, D.C..... | 60 miles |
| | Philadelphia, Pennsylvania..... | 75 miles |
| | Harrisburg, Pennsylvania..... | 80 miles |
| | Richmond, Virginia..... | 140 miles |
| | New York, New York..... | 165 miles |

SERVICE STATISTICS (CONT'D.)

HARFORD COUNTY AT A GLANCE

CULTURAL AND RECREATION ATTRACTION

| | | |
|---|--------------------------------|---|
| Anita C. Leight Estuary Center | Havre de Grace Maritime Museum |  |
| Concord Point Lighthouse | Hays House | |
| Eden Mill Nature Center | Ironbirds Stadium | |
| Fiore Winery | Ladew Topiary Gardens | |
| Harford County Equestrian Center | Liriodendron Mansion | |
| Harford Glen Environmental Education Center | Rocks State Park | |
| Havre de Grace Decoy Museum | Rockfield Manor | |
| | | Steppingstone Farm Museum |
| | | Susquehanna Lockhouse Museum |
| | | Susquehanna State Park |
| | | Swan Harbor Farm |

DEMOGRAPHICS

Land Use

| | | | |
|-------------------------|---------|---------------------|-------|
| Total Acres | 335,282 | Total Non-Developed | 73.6% |
| Total Land | 83.7% | Agriculture | 36.7% |
| Total Water | 16.3% | Forest | 34.2% |
| | | Extractive / Barren | 0.1% |
| Total Developed | 26.4% | Wetlands | 2.6% |
| Residential | 17.5% | | |
| Commercial / Industrial | 2.1% | | |
| Institutional / Oper | 6.8% | | |

Population

| | | |
|--------------------|---------|---|
| 2000 | 218,590 |  |
| 2008 | 249,753 | |
| <i>Projection:</i> | | |

Population by Age*

(Harford County Office of Economic Development / ESRI)

| | | | |
|---------------------|--------|---------------------|--------|
| 0-4 years of age: | 17,665 | 35-44 years of age: | 38,231 |
| 5-9 years of age: | 17,467 | 45-54 years of age: | 40,691 |
| 10-14 years of age: | 18,341 | 55-64 years of age: | 29,709 |
| 15-19 years of age: | 17,042 | 65-74 years of age: | 15,510 |
| 20-24 years of age: | 13,503 | 75-84 years of age: | 9,560 |
| 25-34 years of age: | 28,688 | 85 + years of age: | 3,346 |

Median Household Income

\$74,713

(Office of Economic Development / U.S. Bureau of Census ESRI Forecasts)

HARFORD COUNTY AT A GLANCE

ECONOMICS

Property Taxes

Real Property FY 10 Tax Rates

| | |
|--|---------|
| Tax rate per \$100 of assessed value: | |
| General Fund (All County property owners)..... | \$0.908 |
| Highways Fund (Property owners outside the towns)..... | \$0.156 |
| Total Real Property Tax..... | \$1.064 |
| Maryland..... | \$0.112 |

Corporate & Personal Property FY 10 Tax Rates

| | |
|--|---------|
| Tax rate per \$100 of assessed value: | |
| General Fund (All County property owners)..... | \$2.270 |
| Highways Fund (Property owners outside the towns)..... | \$0.390 |
| Total Corporate & Personal Tax Rate..... | \$2.660 |



FY 2010 Taxable Property Value (Projected)

(Source: Official Statement dated June 2, 2009)

\$ 27.6 billion

Harford County's Bond Rating

Credit (or Bond) ratings are designations by the investor services to give a relative indication of credit quality. When a government receives a higher bond rating, their bonds can be sold at a lower interest rate, which results in less interest cost to that government.

Harford County received its increases based on: an increasing tax base (that is more business growth), favorable debt ratios, sound financial operating and reporting, and conservative budgeting.

| <u>Investor Service</u> | <u>Highest</u> | <u>FY 02</u> | <u>FY 04</u> | <u>FY 06</u> | <u>FY 08</u> | <u>FY 09</u> |
|--------------------------------|-----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Standard & Poor's | AAA | AA | AA | AA+ | AA+ | AA+ |
| Fitch | AAA | AA+ | AA+ | AA+ | AA+ | AA+ |
| Moody's Investors Service | Aaa | Aa1 | Aa1 | Aa1 | Aa1 | Aa1 |

Legal Debt Margin

Starting in FY 02, State law limits charter counties to the amount of general obligation debt they can issue to an amount equal to a total of 6% of the County's assessable base of Real Property and 15% of Personal Property.

FY 2009 / 2010

| | | |
|---|---------|------------------|
| Harford County's Legal Debt Limit | 100.00% | \$ 1,790,616,173 |
| Total Debt Applicable to the Legal Debt Limit | 19.75% | \$ 353,602,737 |
| Legal Debt Margin | 80.25% | \$ 1,437,013,436 |

General Obligation Debt Per Capita

(Source: Official Statement dated June 2, 2009)

| | | | |
|-------|-------|--------|---------|
| FY 05 | \$676 | FY 08 | \$885 |
| FY 06 | \$622 | FY 09 | \$1,418 |
| FY 07 | \$562 | FY 10* | \$1,624 |

Total Debt

| | |
|--------------------------------|----------------|
| Estimated Long Term Debt | \$ 353,602,737 |
| Estimated Self Sustaining Debt | \$ 153,262,836 |
| Total Bonded Deb | \$ 506,865,573 |

*Projected

HARFORD COUNTY AT A GLANCE

ECONOMICS (CONT'D.)

Major Employers

(Source: Harford County, Comprehensive Annual Financial Report, June 30, 2008)

| | | | |
|---|--------|---|-----|
| Aberdeen Proving Ground | 12,500 | Science Applications International Corporation (SAIC) | 797 |
| Harford County Public Schools | 5,306 | Jacobs Technology, Inc. | 656 |
| Upper Chesapeake Health System | 2,464 | Home Depot | 605 |
| Harford County Government | 1,588 | Wal Mart | 597 |
| Rite Aid Mid Atlantic Distribution Center | 1,270 | Saks Fifth Avenue | 495 |



Unemployment Rate

(June 2009)..... 7.7%

EDUCATION

Harford County Public Schools



| | |
|--|--------|
| Elementary | 32 |
| Middle | 9 |
| Comprehensive High Schools | 9 |
| John Archer public special education school serving students with disabilities | 1 |
| Technical High School | 1 |
| Alternative Education School | 1 |
| Actual Enrollment - FY 2009 | 38,610 |
| Projected Enrollment - FY 2010 | 38,351 |
| Projected FTE Staff - FY 2010 | 5,324 |

Higher Education



Harford Community College

| | |
|---------------------------------------|-------|
| Full Time Equivalent Enrollment (FTE) | 3,660 |
| Number of Students: | |
| Full Time Students | 1,675 |
| Part Time Students | 6,622 |
| Average Age | 26.3 |
| Associate Degree Seeking | 6,082 |
| Certificate Seeking | 212 |
| Non Degree Seeking | 2,003 |

Higher Education Applied Technology Center (HEAT) College / University Partners

College of Notre Dame

BA - Business and Elementary Education
BSN - Nursing
MA - Leadership in Teaching



Johns Hopkins

MS - Biotechnology
Engineering and Applied Science Programs
BS & MS - Police Executive Leadership Program

University of Phoenix

MBA - Technology Management
BS - Information Technology

University of Maryland at College Park

M. Eng - Engineering
Graduate Certificate in Engineering

Towson University

M. Ed - Education
MS - Instructional Technology
Post-Master's Certification for Administrator
MS - Human Resource Development
BS - Elementary Education / Special Education (dual degree)
Undergraduate Courses

Visit Harford County via our website - www.harfordcountymd.gov

WHO TO CALL?

| | | | |
|-------------------------------------|----------------|---|----------------|
| Emergency (Fire, Ambulance, Police) | 911 | Human Relations Commission | (410) 638-4739 |
| Harford County Government | (410) 638-3000 | Humane Society | (410) 836-1090 |
| Assessment & Taxation (State) | (410) 836-4800 | Inspections, Licenses & Permits | (410) 638-3344 |
| Board of Education | (410) 838-7300 | Job Information Line (Harford Co. Gov't.) | (410) 638-HIRE |
| Community Services | (410) 638-3389 | Libraries - Bel Air Branch | (410) 638-3151 |
| Cooperative Extension Services | (410) 638-3255 | Parks & Recreation | (410) 638-3570 |
| County Council | (410) 638-3343 | Planning & Zoning | (410) 638-3103 |
| County Executive | (410) 638-3350 | Public Works (Director) | (410) 638-3285 |
| Cultural Arts Board | (410) 638-3578 | Highways | (410) 638-3279 |
| Director of Administration | (410) 638-3210 | Recycling | (410) 638-3417 |
| Economic Development | (410) 638-3059 | Water & Sewer | (410) 638-3300 |
| Elections | (410) 638-3565 | Senior Citizen Services - Office on Aging | (410) 638-3025 |
| Governmental & Community Relations | (410) 638-3354 | Sheriff's Office | (410) 836-6600 |
| Harford Community College | (410) 836-4000 | State's Attorney | (410) 638-3500 |
| Health Department (State) | (410) 838-1500 | Treasury (Taxes) | (410) 638-3269 |
| Housing Agency | (410) 638-3045 | Treasury (Water & Sewer Bills) | (410) 638-3311 |

COUNTY EXECUTIVE

David R. Craig

COUNTY COUNCIL

William "Billy" Boniface - Council President

Dion F. Guthrie - District A

Chad Shrodes - District D

Joseph M. Woods - District B

Richard C. Slutzky - District E

James "Capt'n Jim" McMahan - District C

Mary Ann Lisanti - District F

DIRECTOR OF ADMINISTRATION

Lorraine T. Costello

CHIEF, BUDGET & MANAGEMENT RESEARCH

Kimberly K. Spence

SENIOR BUDGET ANALYST

S. Renee Kelley Wanda J. Butrim

BUDGET ANALYST

William Watson

ADMINISTRATIVE SPECIALIST II

Christen Callon

TREASURER

John R. Scotten, Jr.