



A MESSAGE FROM COUNTY EXECUTIVE, DAVID R. CRAIG

Thanks to years of conservative financial management, Harford County has been and continues to remain financially sound. My administration has combined prudent budgeting and finance with strategic planning to keep County finances healthy, while coping with the effects of a declining national economy, a major drop in home sales and construction, and Maryland's State budget problems. We have kept open lines of communication with our County Council, the State, the towns, all outside agencies, unions, our employees, and most importantly our citizens to keep everyone's needs foremost in our thoughts and in turn convey our plans for Harford County.

With market trends and the State's budget shortfall limiting most of the County's revenues 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. I appointed a Commission on Efficiency and Economy in Government and received their report at the end of June. I am in the process of reviewing their recommendations and will take action to provide future savings and a more efficient use of our resources.

The FY 2009 budget provides \$11.3 million additional County dollars to the Board of Education, that in combination with all other revenue sources, and the approval of the Board of Education, include: wage increases and healthcare coverage currently being negotiated between the Board of Education and their unions; 11.3 new positions for the inclusion of 11th grade students coming to Patterson Mill Middle / High School; 5 positions for the International Baccalaureate, Homeland Security and Natural Resource and Agricultural Science Programs.

Harford Community College increases \$1 million in support of a wage package in parity with County employees.

A \$962,527 increase is provided for the Libraries to offer pay package parity; 60 additional part-time clerical hours and one full-time custodian; funds to offset rising health and dental costs; library materials and collections; increased general operating funds and an adjustment to their insurance premiums.

An over \$2 million increase for the Sheriff's Office will provide: pay package parity; 10 new Deputy positions for 7 pays; 47 police car packages to be fitted to their fleet and fleet management lease funds to replace 55 vehicles and one trailer.

The net increase for the Volunteer Fire Companies of \$684,081 allows a 10% increase to each company's funding and added operating funds for the Association; over \$2.25 million in County support of the Emergency Medical Services Foundation; a grant to the Shock Trauma capital campaign; and an adjustment to workers' compensation insurance premium funding.

To sustain and strengthen the County's agricultural industry, the Division of Agricultural Affairs budget includes: \$20,000 for a "Buy Local" campaign; \$10,000 for agricultural related advertising; funds are reallocated from Economic Development for Ag Marketing Co-Op; \$59,400 is provided for various grants; and the Noxious Weed and Gypsy Moth programs are moved here from the Department of Public Works. The capital budget includes a scope study for an Agricultural Resource Center and Horse Park.

My administration is establishing a Fleet Management Internal Service Fund. With revenue provided from a lease purchase agreement and departments paying lease costs, we will be able to buy new vehicles on an advanced turnover cycle and provide maintenance for those items in the fleet worth repairing. Personnel experienced in fleet operations will manage the program utilizing recognized standards to determine the viability of the fleet and set policies on turnover.

The County places a priority on recruiting and retaining the best employees to serve the citizens of Harford County. To that end we contracted a comprehensive compensation study to ensure that employee salaries are in line with the regional job market. The last study and salary adjustment was completed in 2002. After careful review and analysis, the Approved Fiscal Year 2009 Operating Budget provides for a wage package consisting of a 3% COLA and a 3% Merit increase for all eligible staff, as well as a 3% Classification and Pay Market adjustment for eligible staff. This market adjustment is the third phase in our goal to provide compensation which is comparable to government employees within this region.

Studies had been conducted for Teachers and staff of the Harford County Public School System and implemented in FY 2006 and FY 2007; and then in FY 2008 for deputized Sheriff staff. It is my intention to contract studies for Teachers, Deputies, and our staff on a four year cyclical basis to ensure fair and competitive compensation, with funding adjustments not as costly as when done in a less timely fashion.

I extend my sincere thanks to everyone who contributed to the development of our FY 2009 budgets, our citizens, the Board of Education, Harford Community College, the Libraries, advisory groups, and our employees. They have provided invaluable input and commitments of time. These budgets serve as my administration's pledge to maintain the County's strong financial status, to conduct the business of government efficiently and effectively, and to preserve all that is good about Harford County while planning for an even better future.

David R. Craig

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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 09 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 09 Operating and Capital Budgets is included.

The FY 09 Budget Highlights include pie charts and summaries for each County Fund. A brief explanation of how revenues were projected and appropriation 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

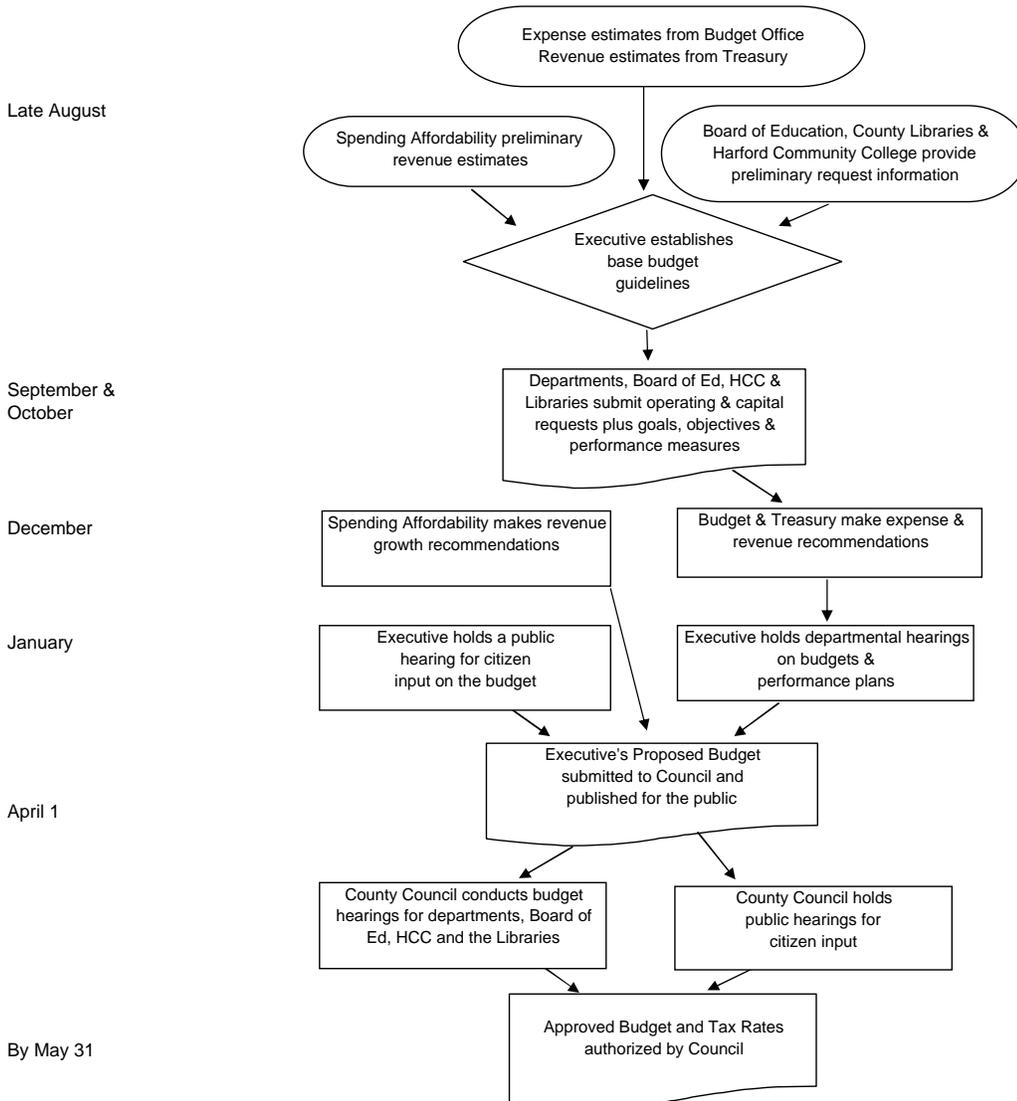
Statistics on the level of certain County services are listed, as well as various points of interest

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 2009 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.

As we began developing our FY 2009 Operating and Capital Budgets we were faced with issues beyond the normal increases in health care coverage, utilities, and basic operating and contractual expenses. We had to consider a declining national economy, a major drop in home sales and construction, and Maryland's State budget problems. With each of these forces limiting Harford County's revenues to some extent we had to make priority funding decisions, not just accepting growth to existing expense items, but examining each of these expense items for true need.

PROPERTY TAXES - Low mortgage interest rates produced an increased demand for residential real estate that outpaced supply through the early part of FY 2007. The budget maintains the property tax rates at \$1.082 for real property and \$2.705 for corporate and personal property / \$100 of assessed value. The personal property tax rate is required by law to be 2.5 times the real property tax rate.

INCOME TAXES - Receipts are slowing in growth over the previous year. As a result, the Spending Affordability Committee recommended lowering the growth rate projection for FY 09. In addition, actions by the Maryland General Assembly during the Special Session in November 2007 changed the income tax laws for State residents. These two actions result in a net increase of only 4.3% or \$7.3 million for FY 09.

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. The largest project directed to alleviate capacity issues was the new Patterson Mill Middle / High School facility which opened in the summer of 2007. We are also aware of other school capacity needs and have included several projects in our FY 09 Capital Budget and Improvement Program, to include the modernization / replacement of both Bel Air and Edgewood High Schools, two new elementary schools, as well as the modernization / additions of two elementary schools and one high school. Additional staff and ancillary expenses are included for additional capacity when planning future budgets.

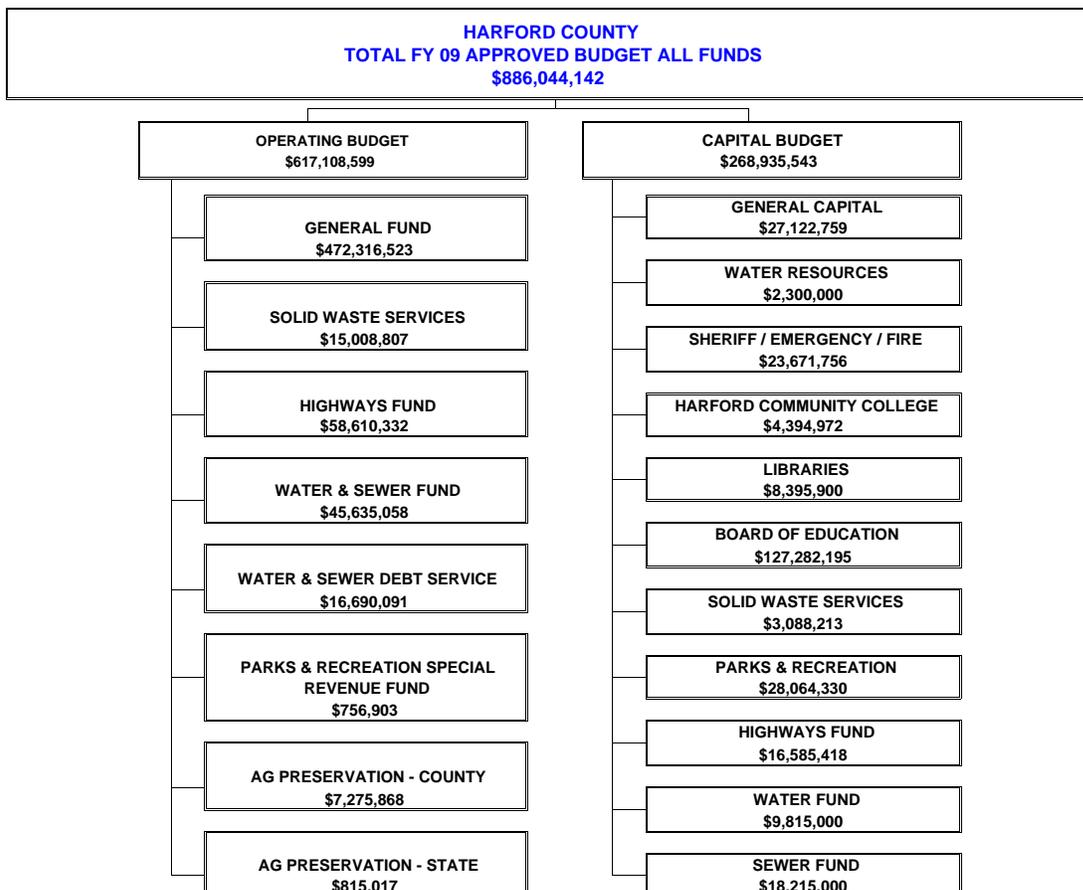
PUBLIC SAFETY - Funds are included in the FY 09 Capital Budget to design and construct a 288 bed expansion for medium security level inmates at the Detention Center. Also included are funds to expand / renovate the existing Emergency Operations Center; engineering and design funds to construct a new Bel Air Substation at Patterson Mill; funds to renovate / expand both the Norrisville Station and the Susquehanna Hose Company House #5; and funds to replace SCBA (self contained breathing apparatus) equipment.

FY 09 ISSUES AND OBJECTIVES

EDUCATION - County support to our schools provides for an additional \$11.3 million for FY 09. It should be noted that for FY 09 the State's Maintenance of Effort law required no County increase in school funding.

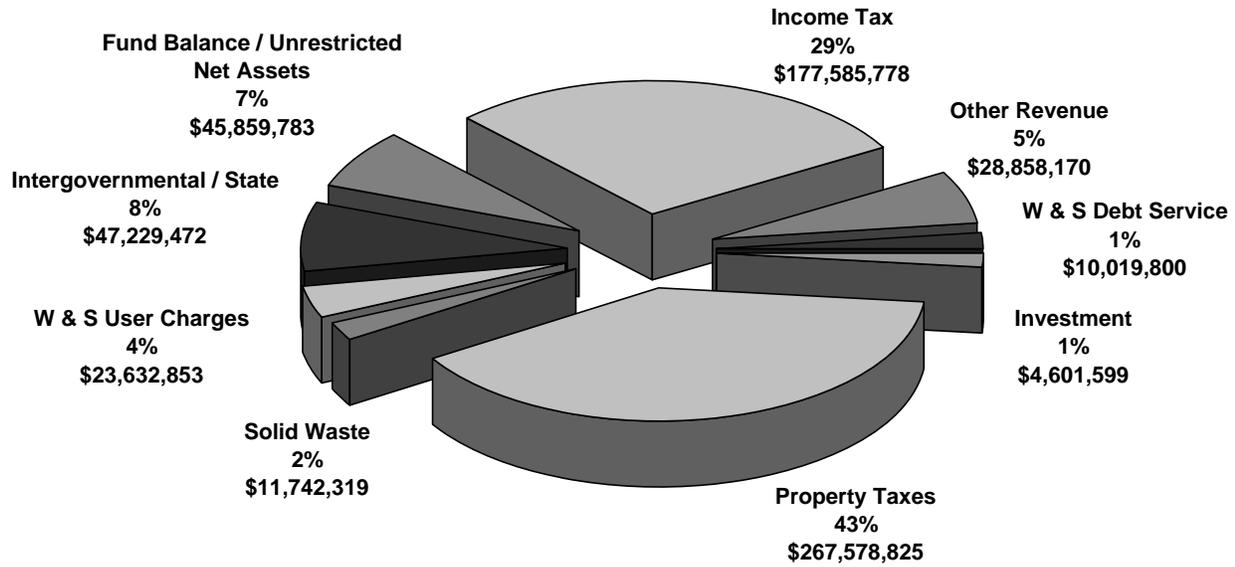
PUBLIC SAFETY - With our continued commitment to maintaining public safety, the FY 09 budget includes funds to hire ten additional deputy positions, a variety of drug prevention and / or rehabilitation programs, gang suppression initiatives and full funding of a new pay plan for the civilian staff of the Sheriff's Office. The annual appropriation to each fire company was increased 10%, and the EMS Foundation was increased 15%. Matching funds are provided throughout the budget for various anti-drug / crime / gang grants.

WORKFORCE - A 3% merit increase and a 3% Cost of Living Adjustment is provided for all eligible staff as well as a Classification and Pay Market adjustment of 3%.

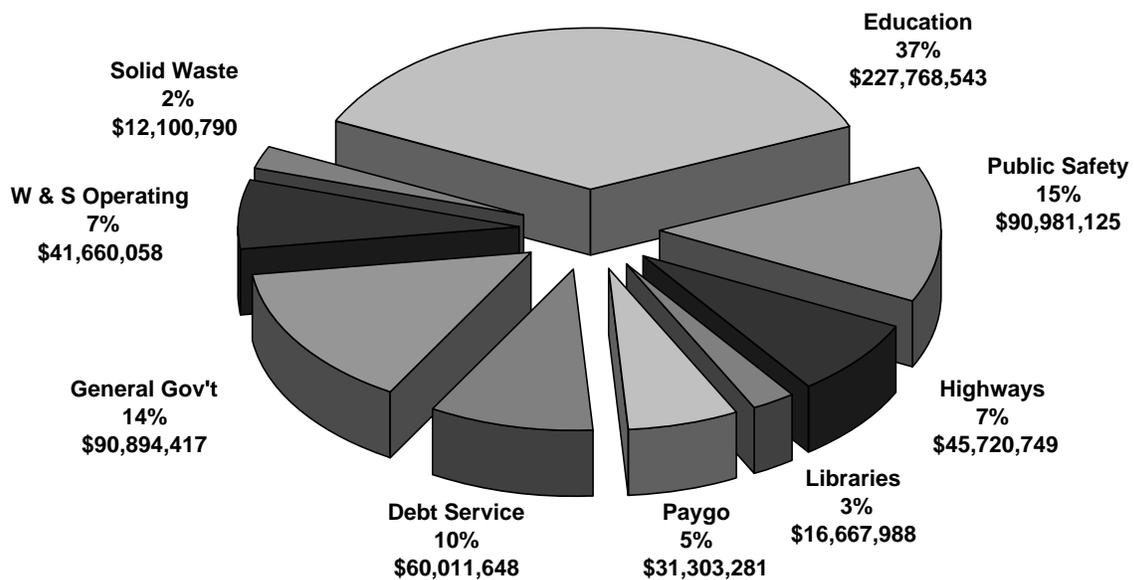


**FY 2008 - 2009
ALL FUNDS
REVENUES & APPROPRIATIONS**

**TOTAL APPROVED REVENUES
\$617,108,599**



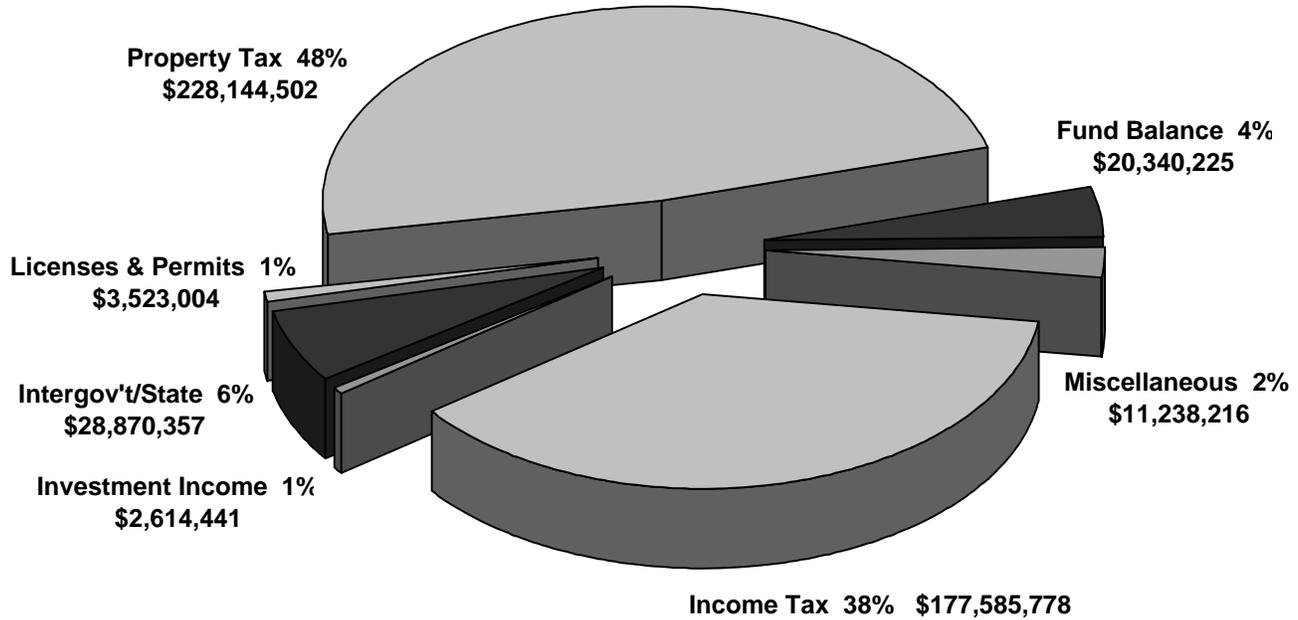
**TOTAL APPROVED APPROPRIATIONS
\$617,108,599**



GENERAL FUND REVENUES

Fiscal Year 2008 - 2009

TOTAL APPROVED BUDGET \$472,316,523



FY 2009 APPROVED GENERAL FUND REVENUE BREAKDOWN

PROPERTY TAXES	48%	228,144,502	INCOME TAX	38%	177,585,778
Real & Personal	255,632,787				
Deductions	(27,488,285)				
FUND BALANCE	4%	20,340,225	INTERGOV'T / STATE	6%	28,870,357
			Intergovernmental	2,288,258	
			Intra County	5,742,722	
			Pro Rata	4,316,061	
			Recordation	16,523,316	
MISCELLANEOUS	2%	11,238,216	LICENSES / PERMITS	1%	3,523,004
Other Taxes	5,825,312				
Service Charges	4,752,804				
Fines & Forfeitures	130,175				
Miscellaneous Revenues	529,925		INVESTMENT INCOME	1%	2,614,441

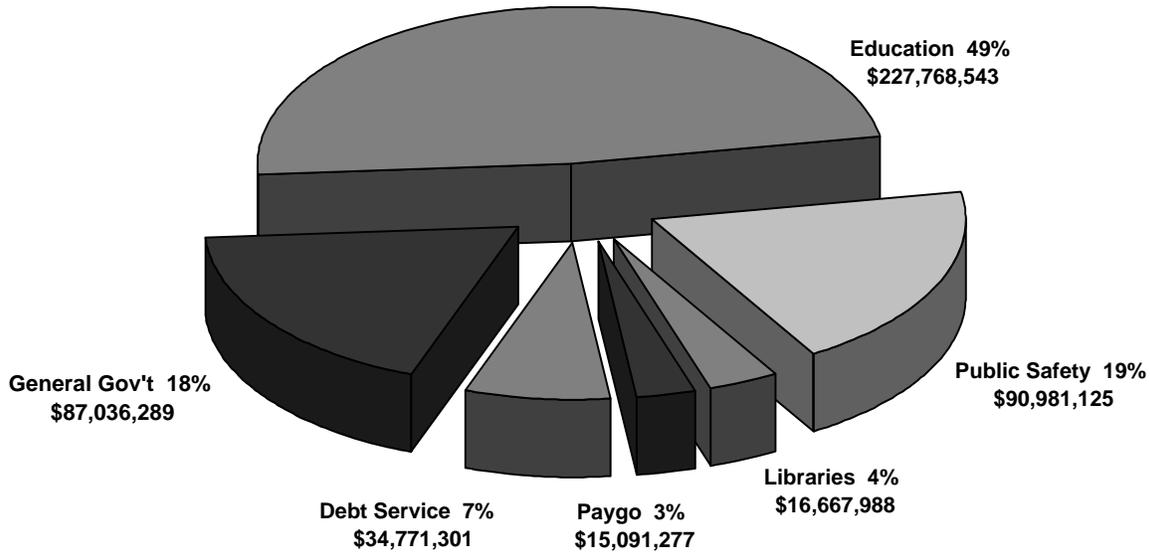
TOTAL GENERAL FUND REVENUES

472,316,523

GENERAL FUND APPROPRIATIONS

Fiscal Year 2008 - 2009

TOTAL APPROVED BUDGET \$472,316,523



FY 2009 APPROVED GENERAL FUND APPROPRIATION BREAKDOWN

GENERAL GOVERNMENT:		18%	87,036,289	EDUCATION:		49%	227,768,543
County Executive	2,022,005			Board of Education	45%	210,914,800	
Administration	13,328,394			Harford Community College	4%	16,778,743	
Procurement	4,417,423			School for the Blind		75,000	
Treasury	4,230,549						
Law	2,021,318			PUBLIC SAFETY:	19%		90,981,125
Planning & Zoning	3,860,708			Sheriff		62,609,210	
Human Resources	2,208,052			Emergency Services		10,512,268	
Community Services	8,434,457			Volunteer Fire Companies		9,067,456	
Handicapped Care Centers	2,419,716			Inspections, Licenses & Permits		4,249,423	
Gov't & Community Relations	603,916			Environmental Affairs		3,282,321	
Health	4,119,651			Water Resources		1,260,447	
Housing	817,256						
County Council	2,363,505			LIBRARY	4%		16,667,988
Judicial	2,877,323						
State's Attorney	5,430,447			PAYGO	3%		15,091,277
Elections	1,885,922						
Parks & Recreation	10,182,644			DEBT SERVICE	7%		34,771,301
Natural Resources	616,669						
Economic Development	2,619,742						
Insurance	941,873						
Benefits	9,275,315						
Appropriation to Towns	2,209,404						
Rural Legacy Program	50,000						
Contingency Reserve	100,000						

TOTAL GENERAL FUND APPROPRIATIONS

472,316,523

GENERAL FUND HIGHLIGHTS

FY 08 APPROVED BUDGET	\$452,729,169	FY 09 APPROVED BUDGET	\$472,316,523	CHANGE	\$19,587,354
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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 County's funding for the Board of Education are 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 (almost 86%) of our projected General Fund Revenues come from Property Taxes and Income Taxes.

<u>PROPERTY TAXES</u>	FY 09 Approved	\$228,144,502	48.3%	of the General Fund
	FY 08 Approved	\$207,440,466	45.8%	of the General Fund
	\$ growth	\$20,704,036		
	% growth		9.98%	

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.

Personal property tax revenue is projected to decrease (6%) or (\$21,956). The decrease is due to a downturn in the economy which generally leads to a closing of smaller sole proprietorships and partnership type businesses.

Corporate property tax revenue is projected to increase 20.1% or \$1.5 million. Railroads and public utilities taxes are projected to increase 7.7% or \$1.1 million. Both increases are due to businesses modernizing equipment and technology infrastructure to meet demands on the market place.

The Homestead credit assists homeowners deal with large assessment increases on their principal residence. The credit limits the increase in taxable assessments each year to a fixed percentage. Harford's limit was lowered from 10% to 9% for Fiscal Year 2008, meaning homeowners pay no property tax on any market value increase which is above the 9% limit. Revenue the County will not be able to collect due to this decrease will increase 61.8% or \$8.6 million.

<u>INCOME TAXES</u>	FY 09 Approved	\$177,585,778	37.6%	of the General Fund
	FY 08 Approved	\$170,297,559	37.6%	of the General Fund
	\$ growth	\$7,288,219		
	% growth		4.28%	

In preparing our Fiscal Year 2009 estimates, income tax receipts were showing a slowing in growth over the previous year. As a result, the Spending Affordability Committee in their Fall projection, recommended a lowering of the growth rate projection for Fiscal Year 2009. In addition to their recommendation, actions by the Maryland General Assembly during the Special Session in November 2007 changed the income tax laws for State residents. The changes were projected to lower the County's income tax receipts by \$3.9 million. These two actions result in an estimated increase of 4.3% or \$7.3 million for Fiscal Year 2009.

<u>OTHER REVENUES</u>	FY 09 Approved	\$66,586,243	14.1%	of the General Fund
	FY 08 Approved	\$74,991,144	16.6%	of the General Fund
	\$ growth	(\$8,404,901)		
	% growth		(11.21%)	

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

	<u>FY 08</u> <u>Funding</u>	<u>FY 09</u> <u>Funding</u>	<u>Change</u>
<u>General Fund Support of Solid Waste Management Services</u>	(\$5,431,079)	(\$845,297)	\$4,585,782
Most solid waste management activities are mandated by Federal and State regulations, avenues for imposing fees are limited by law and the market place, resulting in the need for support with General Funds.			
<u>Fund Balance Appropriated</u>	\$25,657,817	\$20,340,225	(\$5,317,592)
Any excess unappropriated fund balance realized 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.			
<u>Investment Income</u>	\$5,338,000	\$2,593,941	(\$2,744,059)
Revenues from investments are reflective of the size of the portfolio and expected rate of return. For Fiscal Year 2009, a projected decline of (55.9%) in overall investment income is anticipated, based on the Federal policy of cutting rates lowering overall investment returns.			
<u>Recordation Tax</u>	\$17,161,944	\$16,523,316	(\$638,628)
With the slowdown in housing starts and existing home sales, Recordation Tax receipts declined (10.9%) in Fiscal Year 2007. The trend is continuing for Fiscal Year 2008 with an anticipated decrease of (20.0%) from the actual receipts in Fiscal Year 2007. We are expecting a continuation of the decline in Fiscal Year 2009 and are estimating (37.4%) under the Fiscal Year 2008 estimates.			
<u>All "Other" Revenues combined</u>	\$32,264,462	\$27,974,058	(\$4,290,404)
These include: Licenses and Permit sales, State Shared Revenues, Interest Income, etc.			

EXPENDITURES

While developing our Fiscal Year 2009 Operating and Capital Budgets we were faced with issues beyond the normal increases in health care coverage, utilities, and basic operating and contractual expenses. We had to consider a declining national economy, a major drop in home sales and construction, and Maryland's State budget problems. With each of these forces limiting Harford County's revenues to some extent we had to make priority funding decisions, not just accepting growth to existing expense items, but examining each of these expense items for true need. We made policy changing decisions, limiting travel and training allocations; we reduced departmental funding for certain materials and supplies, challenging our staff to find new and more economical ways of conducting business.

Fleet Management

Fleet maintenance and turnover is a major expense for most local governments. Over the years Harford County has adopted various measures to control these expenses. Our best experience was realized by contracting with First Vehicle Services, which significantly reduced maintenance costs but did not address replacement issues. As the fleet ages, maintenance costs become a key issue; vehicle maintenance costs increase resulting in less availability of funding for turnover. To this end, my administration is establishing a Fleet Management Internal Service Fund which will start July of 2008. With revenue provided from a major lease purchase agreement and County departments paying lease costs, the fund will be able to purchase new vehicles on an advanced turnover cycle and provide maintenance to those items in the fleet worth repairing. The program will be administered by the Director of Procurement and managed by personnel experienced with fleet operations who will use nationally recognized standards to determine the viability of the fleet and set policies on turnover.

For Our Employees the Operating Budget includes:

- o a wage package, consisting of a 3% Merit Increase and a 3% COLA for all eligible staff;
- o a Classification and Pay Market Adjustment of 3% for all eligible staff;
- o increasing the percentage the County will pay for the health care costs of County retirees from a maximum of 75% to a maximum of 90%, based on years of service under a new County policy;
- o and \$200,000 for our extremely successful "House Keys 4 Employees" program which assists staff from Harford County Government, Harford County Public Schools, Harford Community College, Libraries, and Volunteer Fire Company members who are first time homebuyers with a grant to be used for settlement and closing costs.

GENERAL FUND DEPARTMENTAL HIGHLIGHTS

THE BOARD OF EDUCATION

For FY 2009 Harford County's Maintenance of Effort funding requirement is zero. We have however, through budgeting for only true needs and reducing funding levels for our own departments, been able to provide \$11.3 million new dollars for the Board of Education for FY 09.

FY 08	FY 09	CHANGE	
FUNDING	FUNDING	\$	%
\$199,614,800	\$210,914,800	\$11,300,000	5.7%

While the largest share of the Board of Education's funding comes from Harford County Government, significant revenues come from other sources:

	FY 08 Approved	FY 09 Approved	\$ Change	% Change	% of Total
	Funding	Funding			Increase
Harford County Government	\$199,614,800	\$210,914,800	\$11,300,000	5.66%	77.65%
State of Maryland	200,556,716	203,409,364	2,852,648	1.42%	19.60%
Federal Government	286,000	350,000	64,000	22.38%	0.45%
Other Sources	2,441,251	2,776,501	335,250	13.73%	2.30%
Total Unrestricted Funds	<u>\$402,898,767</u>	<u>\$417,450,665</u>	<u>\$14,551,898</u>	<u>3.61%</u>	<u>100.00%</u>

This FY 2009 budget provides County General Funds that in combination with additional funds from all other revenue sources, and dependent upon approval of the Board of Education, could provide:

o **\$635,979 PATTERSON MILL MIDDLE / HIGH SCHOOL**

With the inclusion of eleventh grade students in FY 09, additional funding is recommended for eight Classroom Teachers, two Special Education Teachers, one Special Education Para-educator and one full-time Librarian to be created by combining a 0.7 Full-Time Employee (FTE), being transferred from another school, with a new 0.3 FTE.

o **\$319,190 MAGNET & SPECIAL PROGRAMS**

Funding is recommended for two Teachers for the Homeland Security Program at Joppatowne High School; two Teachers for the International Baccalaureate Program at Edgewood High School; and 0.5 Coordinator / 0.5 Teacher for the Natural Resource and Agricultural Science Program.

	FY 08 FUNDING	FY 09 FUNDING	CHANGE \$	%
HARFORD COMMUNITY COLLEGE	\$15,778,743	\$16,778,743	\$1,000,000	6.3%

Harford Community College increases \$1 million in support of a wage package in parity with County employees.

	FY 08 FUNDING	FY 09 FUNDING	CHANGE \$	%
LIBRARIES	\$15,705,461	\$16,667,988	\$962,527	6.1%

- o \$710,492 to provide for a 6% Wage Package in parity with the County's 3% Merit and 3% COLA for all eligible staff
- o \$65,000 to fund 60 part-time clerical hours and one full-time custodian
- o \$88,265 towards the Libraries' health care cost increase
- o \$48,049 to assist with the increasing costs of utilities
- o \$43,194 for library materials and collections
- o \$7,527 an adjustment to the Libraries' auto and general liability plus personal property insurance based on actuarials

	FY 08 FUNDING	FY 09 FUNDING	CHANGE \$	%
SHERIFF'S OFFICE	\$60,600,332	\$62,609,210	\$2,008,878	3.3%

- o \$2,357,613 for a Wage Package in parity with County employees of a 3% Merit and 3% COLA
- o \$160,560 for the implementation of the civilian staff's pay plan study conducted in FY 08
- o \$219,089 for 10 new Deputy positions funded for 7 pays to start in the Spring of 2009
- o \$294,940 for fleet management lease funding to replace 55 vehicles and 1 trailer

	FY 08 FUNDING	FY 09 FUNDING	CHANGE \$	%
VOLUNTEER FIRE COMPANIES	\$8,383,375	\$9,067,456	\$684,081	8.2%

- o \$555,888 to allocate a 10% increase for each company for a total of \$6,114,764 in County support
- o \$293,193 to a total of \$2,247,814 towards the operating expenses of the Emergency Medical Services Foundation
- o \$849,081 total increase to operating expenses
- o \$50,000 for a new grant to the Shock Trauma capital campaign
- o \$899,081 total increased appropriation
- o (\$215,000) In FY 08 a one-time increase in funding was made to adjust the budget to reflect where insurance premiums should actually be paid. This aligned the budget and payment schedule and the one-time funding is reduced for FY 2009.
- o \$684,081 net increase in appropriations

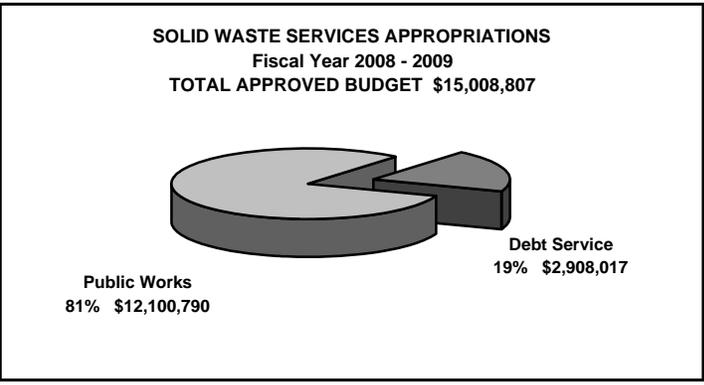
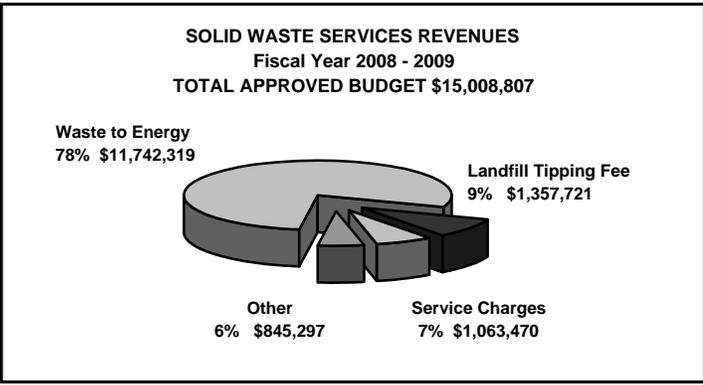
	FY 08 FUNDING	FY 09 FUNDING	CHANGE \$	%
DIVISION OF AGRICULTURAL AFFAIRS	\$409,565	\$536,286	\$126,721	30.9%

My administration is dedicated to sustaining and strengthening Harford County's agricultural industry. To that end we created the Division of Agricultural Affairs in FY 08 to facilitate and coordinate all activities in the County regarding agriculture, as well as serve as the liaison to the agricultural community for the County Executive.

The FY 09 Operating Budget creates an Administrative Specialist I position for the division. This position was previously funded as a Temporary. \$20,000 is included to conduct a "Buy Local" campaign, and an additional \$10,000 for agricultural related advertising. Funds were reallocated to this division from the Office of Economic Development for an Ag Marketing Co-Op, which provides assistance to the agricultural community in securing grants specifically geared towards beneficial new technologies. A total of \$59,400 is provided for various grants to such entities as the Lower Susquehanna Heritage Greenway and Forest Conservancy plus participation in the Ag Festival and the Maryland Million. Responsibility for the Noxious Weed and Gypsy Moth control programs have been moved to this division from the Department of Public Works.

	FY 08 FUNDING	FY 09 FUNDING	CHANGE \$	%
COMMUNITY GRANTS & GRANT MATCHES	\$3,747,687	\$4,488,034	\$740,347	19.8%

These fund the County Executive's grants to support cultural organizations, school beautification and for anti-drug / crime / gang programs, plus Community Services grants, contributions, and matches to numerous local organizations.

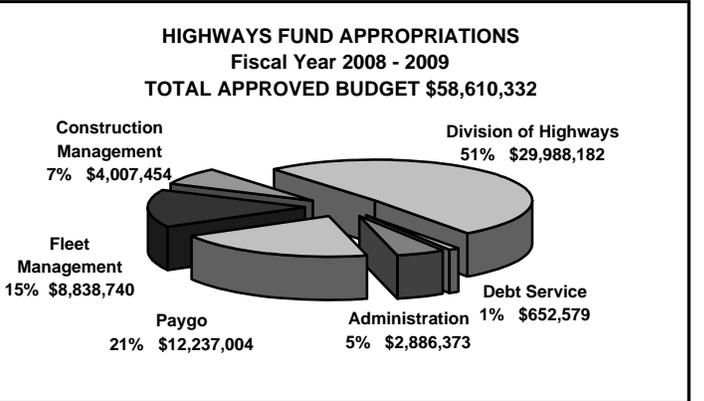
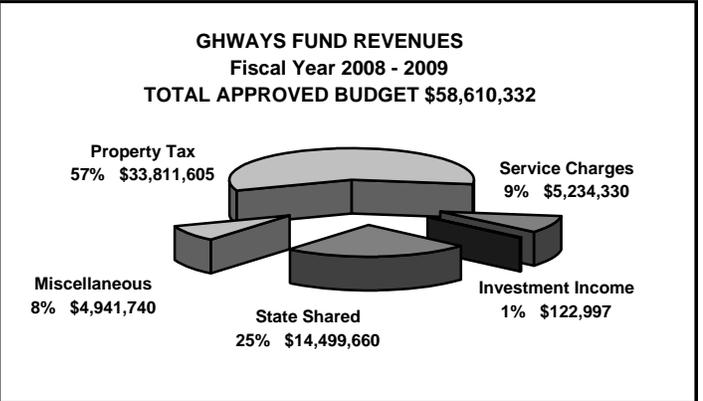


FY 08 APPROVED BUDGET \$19,338,734 FY 09 APPROVED BUDGET \$15,008,807 CHANGE (\$4,329,927)

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 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. My administration proposed for FY 09 to take the Tipping Fee from \$50 to \$60/ton, a first step in making Solid Waste Service functions self supporting. The County Council rejected the increase which resulted in us having to make additional operating cuts of \$750,000 and using \$845,297 in General Fund dollars to support Solid Waste Services

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 accounts for a decrease of (\$3,361,944) for FY 09. There is also a decrease in funding for Solid Waste Services operating costs for FY 09 as a result of: \$185,357 for the 3% Merit and 3% COLA and 3% Market Adjustment for all eligible staff; a decrease of (\$35,076) in health care expenses with a share of the cost being passed on to employees and some staff opting for a change in their level of coverage. OPEB, which was funded as a % of salaries per employee for FY 08, is allocated to a Benefits account for FY 09 resulting in a (\$49,322) reduction to Solid Waste funding.

The FY 2009 budget provides (\$176,600) less in equipment but allocates sufficient funds for replacement of five 50 yard homeowner bins, and two open top 30 yard containers. Lease payments to the new Fleet Management Internal Service fund are budgeted at \$99,736 for nine vehicles and a skid loader.



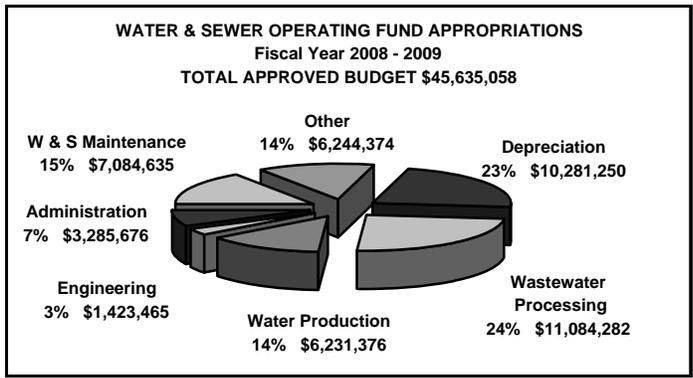
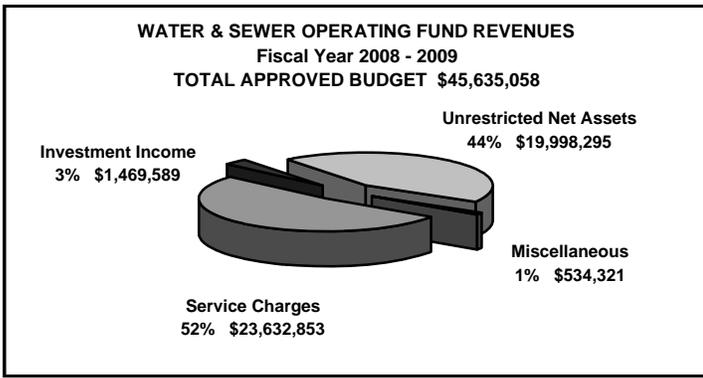
FY 08 APPROVED BUDGET \$58,522,772 FY 09 APPROVED BUDGET \$58,610,332 CHANGE \$87,560

The County's FY 09 Wage Package of a 3% Merit, 3% COLA and a 3% Market Adjustment for all eligible staff is funded with \$1,296,781 in Highways funds and pension and retirement increases \$97,503. These are offset with a decrease of (\$188,948) in health benefit expenses due to passing on some of the increased cost to employees and staff opting for changes in their level of coverage. OPEB funding increases \$274,681 based on the Annual Required Contribution for the Highways Fund.

A contractual arrangement with Maryland Environmental Services (MES) for fuel tank management is funded at \$120,000; and a net increase of \$384,000 will cover additional contract costs for a tree trimming contract and an additional crew added in FY 09 along with an increase in the community mowing contract

Highways funding used to support Board of Education transportation related capital projects increases \$330,000 for replacement buses and vehicles; while equipment funding for County Highways departments is reduced (\$2,715,685) as vehicles are now replaced thru the Fleet Management lease program. The remaining \$101,010 allocated will provide for replacement saws, pumps, weed trimmers, a mortar mixer, snow plows, spreaders, welders, air meter to test concrete on site, cranes and two traffic counters included in response to citizens' request for traffic calming measures. Less Paygo funding will be expended from the Highways fund to the capital budget for a reduction of (\$416,996).

Lease payments of \$775,188 to the new Fleet Management Internal Service Fund will secure 68 pieces of equipment including: cars, vans, pick ups, rollers mowers, chippers, tractors, street sweepers, gradalls, grader, shoulder puller, compressors, trucks, fork lifts, a paver, loaders, sealers, backhoes and trailers.



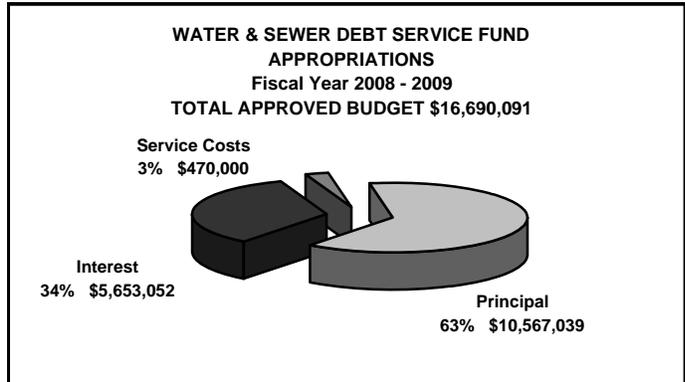
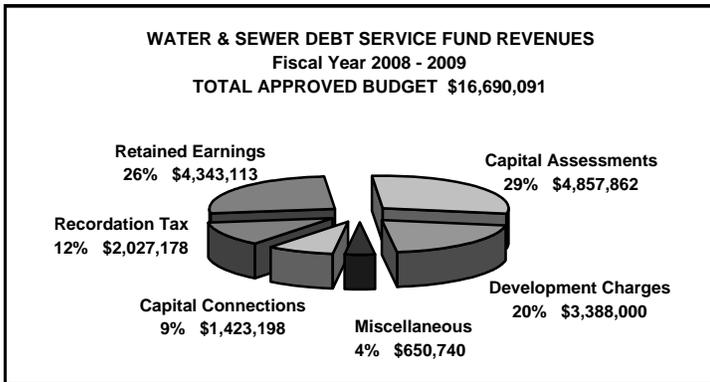
FY 08 APPROVED BUDGET \$41,425,195 **FY 09 APPROVED BUDGET** \$45,635,058 **CHANGE** \$4,209,863

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.

The Water and Sewer Fund includes \$1,093,162 for the County's FY 09 Wage Package and Market Adjustment and (\$201,626) less for health care coverage, with a share of the cost being passed on to employees and some opting for a change in their level of coverage. OPEB funding is increased \$231,591 for the Annual Required Contribution. A new Water and Sewer Utility Worker I position is added for FY 2009 for the Infiltration / Inflow Program at a cost of \$48,240.

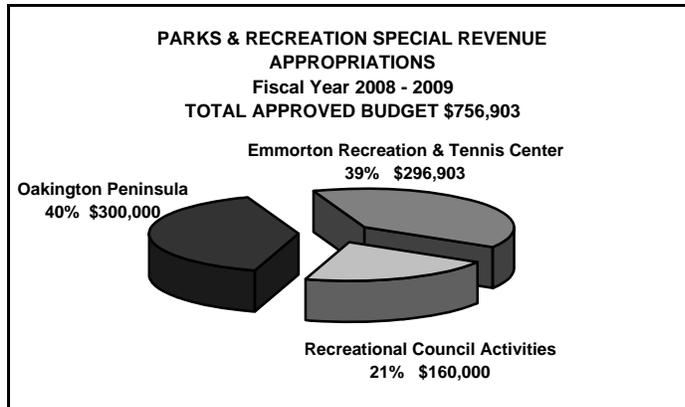
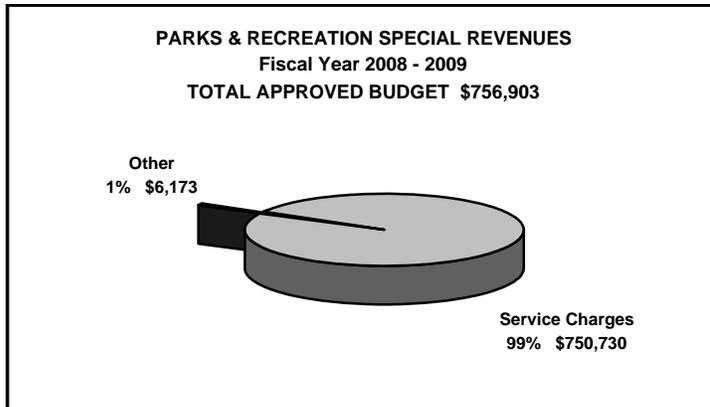
Electricity expenses for our Water and Waste Water Treatment Plants net an increase of \$130,508; landfill disposal fees will cost the Waste Water Treatment Plants an additional \$100,000; and a one-time expense of \$100,000 is included for FY 09 for an engineering study of sludge homogenation / screening improvements. While equipment funding is appropriated at (\$176,905) less than FY 2008; the total of \$801,418 provides for: well development, plant improvements, meters, heaters, compressors, saws, generators, pumps, gauges, leak detection equipment, radios, and various other items. An additional \$2,175,000 in Water and Sewer funds will be used in FY 2009 Paygo for capital projects. Lease payments to the new Fleet Management Internal Service Fund will provide for thirty-three pieces of equipment including: vans, trucks, SUV's, cars, trailers, a brown bear sludge aerator and an all terrain vehicle.

Payment of the County's share of the Havre de Grace Water Treatment Plant is \$48,000/month for FY 09 for a total of \$576,000 or (\$124,000) less than FY 08.



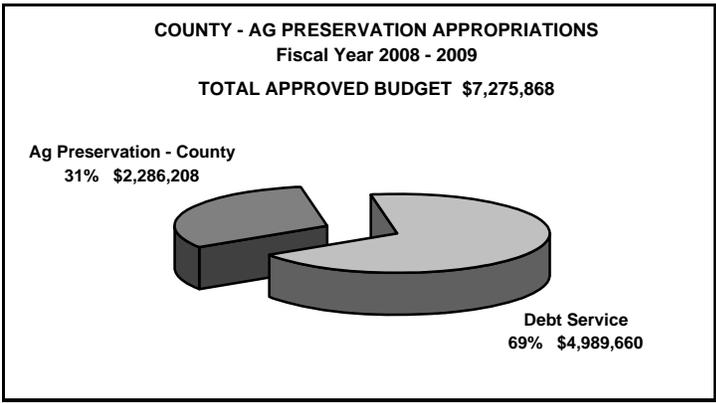
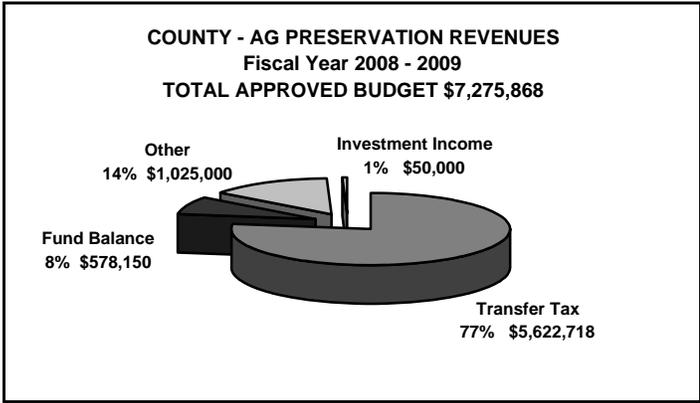
FY 08 APPROVED BUDGET \$24,949,970 **FY 09 APPROVED BUDGET** \$16,690,091 **CHANGE** (\$8,259,879)

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 09 is a result of the Principal and Interest payments adjusted to amounts due on outstanding debt.



FY 08 APPROVED BUDGET \$946,457 **FY 09 APPROVED BUDGET** \$756,903 **CHANGE** (\$189,554)

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. While an additional \$26,334 is included to cover the FY 09 Wage Package and Market Adjustment, certain expense items are reduced based on actual expense history such as Other Professional Services (\$18,000), Recreation Supplies (\$8,500), Heating Fuel (\$1,565), Facility Repair (\$44,144), and Building Supplies (\$21,000). No equipment is recommended for FY 09 reducing funds by (\$32,150) and a further savings is realized by the elimination of one time FY 08 items including (\$17,450) for ATEC electronics upgrade of batting cages and interior monitoring systems and the purchase of pitching machine and netting (\$20,000).



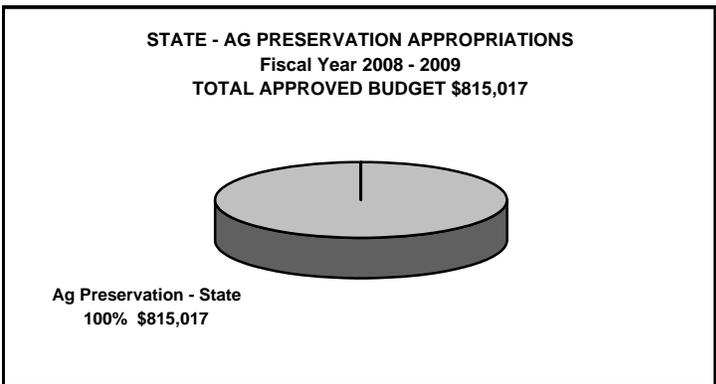
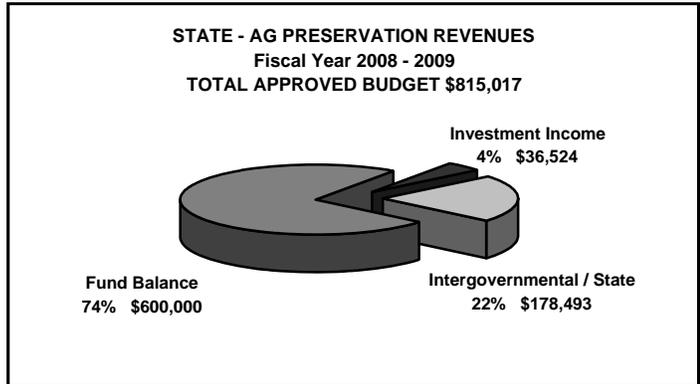
FY 08 APPROVED BUDGET	\$17,200,000	FY 09 APPROVED BUDGET	\$7,275,868	CHANGE	(\$9,924,132)
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County Council Bill No. 93-3 added Article IV, Transfer Tax, to Chapter 123, Finance and Taxation, of the Harford County Code which imposes a 1% Transfer Tax 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 with a small fund balance anticipated for FY 08 we have correspondingly reduced appropriation by (\$10,658,885) to a total of \$1,708,683.



FY 08 APPROVED BUDGET	\$725,000	FY 09 APPROVED BUDGET	\$815,017	CHANGE	\$90,017
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Intergovernmental Revenues, for the State Agricultural Preservation Fund, come from the State Agricultural Land Transfer Tax, imposed on all transfers of title on 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.

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 09 it is projected that the County will collect \$237,991 in State Agricultural Land Transfer Tax receipts. The County will remit \$59,498 to the State and the County will retain \$178,493.

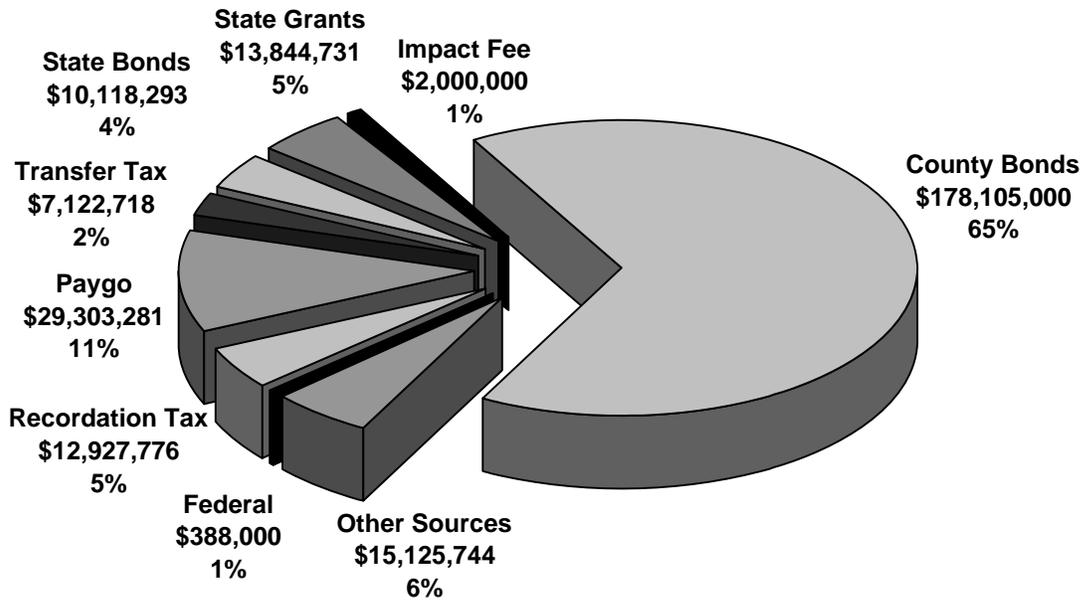
The County will use \$30,000 of this revenue to offset the salary and benefits of a Planner III, who serves as Harford County's Program Administrator

Harford County's match to MALPF for easement purchases the foundation will make on the County's behalf will be \$779,017, demonstrating this Administration's commitment to preserving Harford County's farmland.

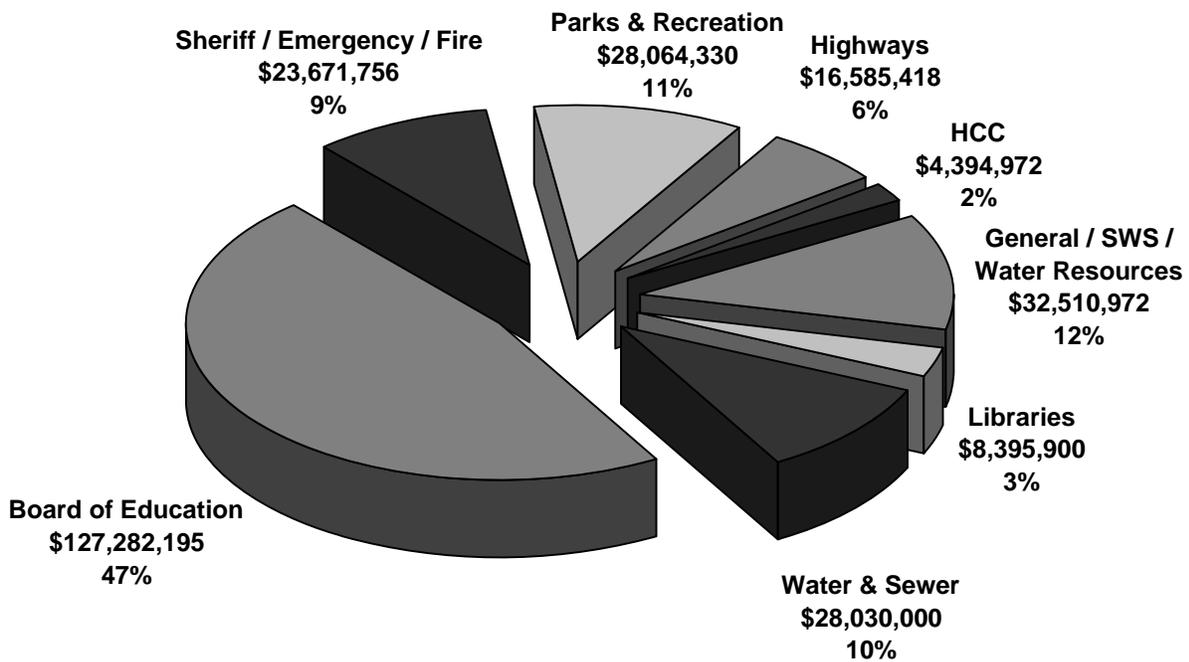
By July 2008 the County will have purchased an estimated 43,000 acres of farm land through the County and State Agricultural Preservation Programs

**FY 2008 - 2009 APPROVED CAPITAL BUDGET
REVENUES & APPROPRIATIONS**

**REVENUES
TOTAL BUDGET \$268,935,543**



**APPROPRIATIONS
TOTAL BUDGET \$268,935,543**



HIGHLIGHTS OF THE FY 2008-2009 CAPITAL BUDGET PROGRAM

BOARD OF EDUCATION



Capacity:

Aberdeen High School Addition	2,218,055
Deerfield Elementary School Modernization / Addition	15,385,772
Joppatowne Elementary School Modernization / Addition	9,534,309
Relocatable Classrooms	188,000
Schucks Road Elementary School New School	2,600,000
Vale Road Elementary School	10,035,923

Repairs / Renovations:

Aging Schools	400,000
Athletic Fields Repair / Renovations	45,000
Bel Air High School Replacement	33,563,210
Edgewood High School Replacement	38,963,926
Gordon Street	270,000
Harford Tech HS Field Improvements	1,700,000
Jarrettsville Elementary School HVAC	300,000
Roof Replacement (Fallston HS)	1,464,000
Security Cameras	200,000

Vehicles:

Funding one replacement and six new buses	630,000
Replace maintenance vehicles, staff cars, and tractors	965,000

Technology:

Strategic Information Technology Plan	4,500,000
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LIBRARIES



Construction funding for the Churchville Recreation Complex	5,362,500
Minor renovations to various library facilities	150,000
Construction funding for expansion of the Whiteford Library	2,633,400
Funding for the Strategic Information Technology plan, to include refresh for PC's at various branches, RFID at Edgewood and Whiteford, and a Network Infrastructure upgrade at Abingdon and Whiteford	200,000

HARFORD COMMUNITY COLLEGE

Computer Technology upgrades for main campus, Edgewood Library and HEAT Center classrooms	249,000
Restoration / Preservation of the historic Hays-Heighe House	375,000
Roof replacements at the Student Center, Chesapeake Center, and Joppa Hall	910,282
Replacement, installation, and repair of campus parking lots, roadways and sidewalks	788,751
Renovations and an expansion to Aberdeen Hall	1,571,939

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

HIGHLIGHTS OF THE FY 2008-2009 CAPITAL BUDGET PROGRAM

SOLID WASTE SERVICES

Permitting, engineering, construction, and the purchase of any additional buffer area for future expansion of the Harford Waste Disposal Center 3,088,213



SHERIFF / EMERGENCY / FIRE

Construction funds to expand the Detention Center 15,922,131

Upgrading and replacement of computer hardware through natural attrition; and upgrade of the network infrastructure to improve bandwidth issues 363,225

Engineering and design for renovation to the first floor and addition of a second floor to the existing EOC facility 5,000,000

Engineering services and equipment to test the integration of 700 MHz frequencies with our existing 800 MHz system 250,000

Funds for systemic repairs, roofs, paving etc. for existing fire stations 750,000

Construction funding for expansion and renovation of the Susquehanna Hose Company House #5 750,000

Engineering, design, and construction funding for a substation at Patterson Mill 285,400

WATER RESOURCES

Design and construction of a stream restoration on a tributary to Otter Point Creek 300,000

Design and construction of a stream restoration on a tributary of Bynum Run within the Glenwood Garth community 300,000

Installation and operation of new USGS stream gage stations, to collect continuous stream flow data 150,000

Watershed restoration / improvements to fulfill the requirement of the County's National Pollutant Discharge Elimination System (NPDES) permit 800,000

Watershed assessments required by Harford County's National Pollutant Discharge Elimination System 550,000

GENERAL PROJECTS

Planning, designing, and construction of a Southern Resource Annex campus for the new Southern Sheriff's Precinct and other community services 5,750,000

Purchase of new and refresh computer equipment, Storage Area Network and networks 500,000

Expansion of dark fiber optic Metropolitan Area Network (MAN) services to support Sheriff's Office, remote offices, schools, fire houses, etc. 250,000

Site Acquisition for land needs that are prevalent in the areas of education, parks and recreation, libraries, and other public purposes 2,000,000

Countywide Information Technology Review and Technology Plan 25,000

Expansion of the Bel Air High School Auditorium 850,000

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

HIGHLIGHTS OF THE FY 2008-2009 CAPITAL BUDGET PROGRAM



PARKS AND RECREATION

Improvements to athletic fields at various locations by installation of artificial turf	3,900,000
Construction of Churchville Recreation Complex in conjunction with Harford County Libraries	4,251,830
Construction of enlarged gymnasiums, activity rooms, and recreational storage - to include Prospect Mill ES and Vale Road ES	1,200,000
Construction at Heavenly Waters Park for a woodshop, restrooms for trail users, and showers for Farm Fair participants	350,000
Construction of additional athletic fields on vacant land adjacent to Magnolia Elementary and Middle Schools	650,000
Acquisition of land to be used as active and / or passive park sites	750,000
Construction funding for the Fallston Senior / Recreation Center	9,400,000
Continued development of a Regional Field Sports Complex at Cedar Lane Park to include a restroom / storage building	500,000



HIGHWAYS

Bridges: 11 projects	2,017,000
Roadways: 6 projects	7,013,439
Resurfacing: Rehabilitation of subdivision streets and repair or upgrade of County roads	6,291,975
Site acquisition for a new Highways Maintenance Facility, or relocation of an existing facility	300,000
Rehabilitation to existing culverts, headwalls, wingwall, etc. throughout the County	500,000
Design and construction of storm drains to address various drainage problems	200,000
Guardrail improvements and required traffic barriers to existing County roads	100,000

WATER PROJECTS



Design and construction of the Abingdon Road Water Main Parallel	7,800,000
Design and construction of a gaseous chlorine conversion alternative for the County's Water Treatment Plants	100,000
Funding to provide for painting and repair of existing water tanks needing periodic renovations	325,000
Design and construction of the Tollgate Road Water Main Parallel	1,300,000

SEWER PROJECTS

Design and installation of the fourth pump to the Bush Creek Pump Station	6,740,000
Removal of excessive infiltration and inflow out of the Town of Bel Air	500,000
Design and construction of ENR at the Joppatowne Wastewater Treatment Plant	1,000,000
Construction of a parallel to the existing Bynum Run Interceptor	3,800,000
Design and construction of a replacement pump station on Haverhill Road	725,000
Rehabilitation of existing sewers with excessive infiltration and inflow	2,800,000

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.

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.

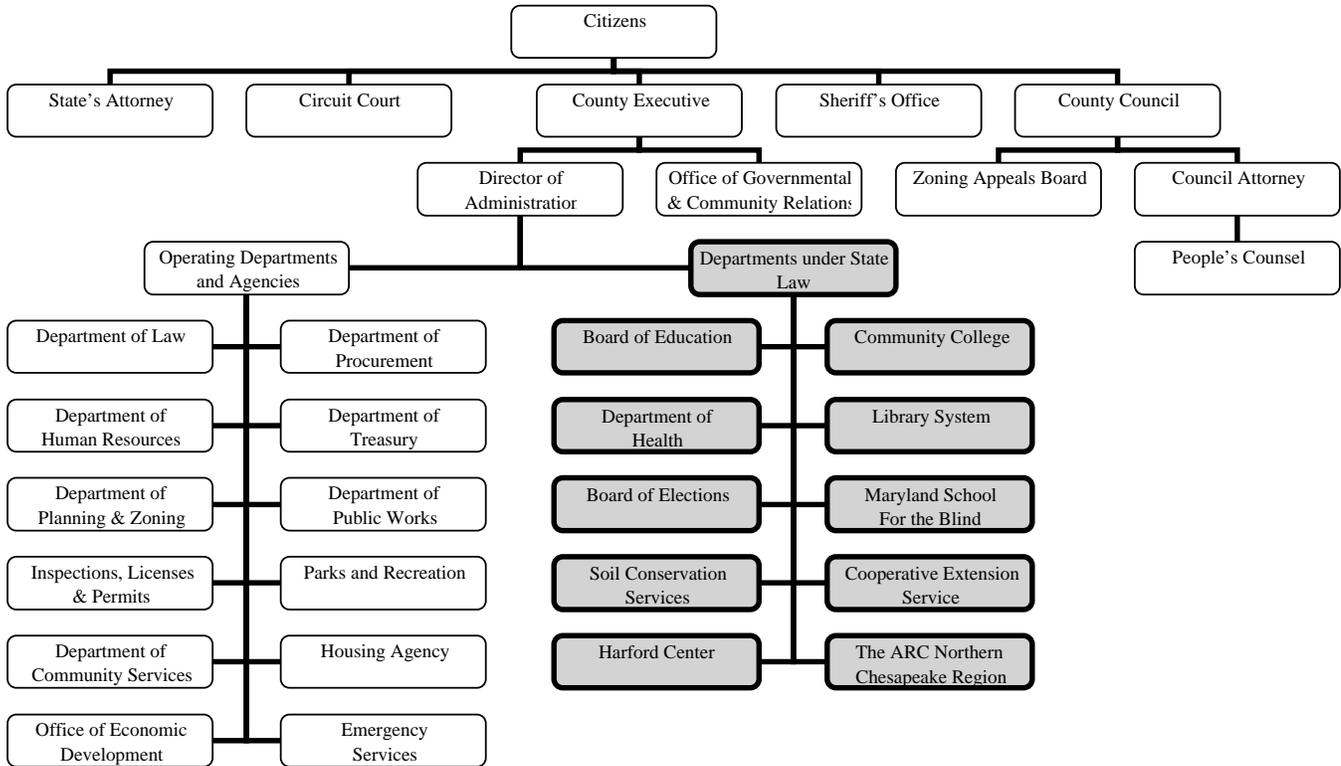
Encourage the growth of community spirit through the use of revitalization projects and create opportunities for neighborhoods to meet and discuss common concerns and desires.

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 2008 - 2009 Operating Budget Book.

HARFORD COUNTY GOVERNMENT ORGANIZATION CHART



SERVICE STATISTICS

Fire/EMS

# of Volunteers - Fire and EMS	1,520	# of Emergency Apparatus	298
# of Fire & EMS Responses	28,227	# of Fire / EMS Stations	
# of Police Responses	160,494	Main Stations	12
# of 911 Calls	102,732	Substations	14
# of Hazardous Material Incidents	304		
EOC Activations / Exercises	16		



Police (Sheriff)

# of Law Enforcement Officers	280
# of Community Policing Programs	376
# of Neighborhood Watch Programs	53
# of Police Facilities	17



Public Works

Miles of Streets Maintained by County	1,041
# of Street Lights	5,272
# of Snow Routes	75
# of Bridges	214
Daily average water consumption in gallon	10,500,000
Daily average effluent treatment in gallon	12,300,000
Tons of recycled materials collected annually	176,654
Tons of solid waste processed annually (Includes HWDC Landfill and WTE Plant)	160,517



Transportation

Annual Ridership	281,991
# of Vehicles	30
Vehicle Miles Traveled	737,252

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.)

 <h3 style="text-align: center;"><u>Libraries</u></h3> <p># of Branches 11 # of Registered Borrowers 240,112 Circulation 3,990,113 Staff: Library Personnel (Full Time Equivalents) 247 Volunteers (total hours) 22,937 Materials Collection 1,050,296 Information / Technology Virtual Visits to Network Library 1,740,532 On-line Database Usage (# of sessions) 63,555 Technology Instructions (# of individuals) 19,471</p>	 <h3 style="text-align: center;"><u>Inspections & Permits</u></h3> <p style="text-align: right;">(2007)</p> <p>Permits Issued 16,582 New Residential Permits Issued 710 Total Inspections Completed* 52,845 *includes building, electrical and plumbing, and full year of inspection activity for City of Havre de Grace</p>	<h3 style="text-align: center;"><u>Recreation</u></h3>  <p>Volunteer Recreation Councils 20 # of Parks & Recreation Volunteers 23,747 Acres of County & Municipal Park Land 4,424 Acres encompassing five State Parks 6,593</p>
		<h3 style="text-align: center;"><u>Elections</u></h3>  <p>Registered Voters (as of January 29,2008) 149,248</p>

HARFORD COUNTY AT A GLANCE

CULTURAL AND RECREATION ATTRACTIONS

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

Land Use

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



2005	238,250
2010 (Projection)	257,000
2015 (Projection)	274,260
2020 (Projection)	276,970
2025 (Projection)	279,040

Population by Age*

(Harford County Dept. of P&Z; US Census Bureau, Dec. 2000)

0-4 years of age:	15,776
5-9 years of age:	17,476
10-19 years of age:	32,569
20-34 years of age:	38,596
35-49 years of age:	57,215
50-64 years of age:	34,798
65 years and over	22,160

Median Household Income \$71,424
 (Office of Economic Development / U.S. Bureau of Census ESRI forecasts)

HARFORD COUNTY AT A GLANCE

ECONOMICS

Property Taxes

Real Property FY 09 Tax Rates

Tax rate per \$100 of assessed value:	
General Fund (All County property owners).....	\$0.926
Highways Fund (Property owners outside the towns) ..	\$0.156
<u>Total Real Property Tax.....</u>	<u>\$1.082</u>
Maryland.....	\$0.112

Corporate & Personal Property FY 09 Tax Rates

Tax rate per \$100 of assessed value:	
General Fund (All County property owners) .	\$2.315
Highways Fund (Property owners	
outside the towns).....	\$0.390
<u>Total Corporate & Personal Tax Rate.....</u>	<u>\$2.705</u>



2008/2009 Taxable Property

Real Property	\$ 24.8 billion
Corporate and Personal Property	\$ 1 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 05</u>	<u>FY 06</u>	<u>FY 07</u>	<u>FY 08</u>
Standard & Poor's	AAA	AA	AA+	AA+	AA+	AA+	AA+
Fitch	AAA	AA+	AA+	AA+	AA+	AA+	AA+
Moody's Investors Service	Aaa	Aa1	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. Harford County's conservative fiscal management is exemplified by having incurred debt at only 29.06% of the total amount of debt the County is legally authorized to issue.

FY 2008 / 2009

Harford County's Legal Debt Limit	100.00%	\$ 1,641,130,639
Total Debt Applicable to the Legal Debt Limit	29.06%	\$ 476,976,729
Legal Debt Margin	<u>70.94%</u>	<u>\$ 1,164,153,910</u>

Debt Per Capita

FY 98 - \$418	FY 03 - \$577
FY 99 - \$457	FY 04 - \$607
FY 00 - \$444	FY 05 - \$700
FY 01 - \$548	FY 06 - \$631*
FY 02 - \$638	FY 07 - \$649*

*estimated

Total Debt

Estimated Long Term Debt	\$ 476,976,729
Estimated Self Sustaining Debt	\$ 223,265,879
Total Bonded Debt	<u>\$ 700,242,608</u>

HARFORD COUNTY AT A GLANCE

ECONOMICS (CONT'D.)

Major Employers*

(based on the number of full-time and part-time employees)

Aberdeen Proving Ground	18,279	Saks Fifth Avenue	495
Upper Chesapeake Health System	2,464	Frito Lay	490
Rite Aid Mid-Atlantic Distribution Center	1,270	Sephora	488
Science Applications International Corporation	797	Blue Dot of Maryland	400
Jacobs Technology, Inc.	656		

* Selected major employers

Unemployment Rate



(January 2008).....3.7%

EDUCATION

Harford County Public Schools



Elementary		33
Middle		8
Comprehensive High Schools		8
John Archer public special education school serving students with disabilities		1
Technical High School		1
Patterson Mill Middle / High School		1
Alternative Education School		1
Public Charter School		1
Actual Enrollment - FY 2008	39,175	
Projected Enrollment - FY 2009	39,135	
Projected FTE Staff - FY 2009	5,280	

Higher Education



Harford Community College

Full Time Equivalent Enrollment (FTE)	3,472
Number of Students:	
Full Time Students	1,613
Part Time Students	6,248
Average Age	26.2
Median Age	21
Degree Seeking Status:	
Associate	5,852
Certificate	192
Non Degree	1,817

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

MEng - Engineering
Graduate Certificate in Engineering

Towson University

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

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

Billy Boniface - Council President

Dion F. Guthrie - District A

Chad Shrodes - District D

Veronica R. "Roni" Chenowith - 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

Timothy Murphy

ADMINISTRATIVE SPECIALIST II

Christen Callon

TREASURER

John R. Scotten, Jr.