

Overview of the FY 20 Budget and FY 20-25 Operating Plan

March 7, 2019

Core Messages

- All major revenues are growing slower than anticipated and has led us to reduce our six-year revenue projections.
- Limited flexibility heightens the importance of every decision.
- Pressures on our ability to maintain services levels remain.

Board Goals

- The Recommended Budget will build on existing plans and direction.
- Even now, additional Board direction will help us to prepare for the Recommended Budget.

Goals For Today

- We are here to set the stage for your budget discussions and decisions to come.
- We won't be making any decisions today, but...
- This is a good time to discuss ideas about the process and budgets.

Budget Changes from FY 15-19

- Total increase of \$42.8M, or 11.6%
 - Education – \$21.4M
 - Sheriff – \$3.8M/\$6.0M
 - Total Public Works – \$5.9M
 - Carroll Community College – \$2.5M
 - 911 – \$2.0M
 - VESA/EMS –\$1.6M
 - IT – \$1.1M

Where Has The Growth Been?

- RCIS 88%
- Board of Elections 62%
- YSB 54%
- HSP 48%
- 911 45%
- Public Outreach 43%
- Sheriff 36%/32%
- FCS 36%
- CCC 33%

Board Actions - Education

- Carroll County Public Schools (CCPS)
 - \$21.4M or 12.5%

Board Actions - Education

- Carroll Community College (CCC)
 - \$2.5M or 32.5%
 - \$0.8M planned funding
 - \$1.7M additional funding for salary increases
 - \$0.2M in FY 16
 - \$0.5M in FY 17
 - \$0.6M in FY 18
 - \$0.4M in FY 19

Board Actions - Education

- Carroll County Public Library (CCPL)
 - \$1.3M or 13.5%

Board Actions – Public Safety

- VESA/EMS

- \$1.1M planned funding

- \$0.45M additional ongoing funding

- \$0.20M in FY 16

- \$0.25M In FY 17

- (\$0.1M) in FY 18 for CAD

- \$1.3M one-time for SCBA

- \$0.3M one-time recruitment/retention

- \$0.2M one-time for reserve ambulance

- additional funding each year for LOSAP and increased benefit level

Board Actions – Public Safety

- Sheriff
 - Sheriff \$3.8M or 36.3%
 - Detention Center \$2.3M or 26.6%
 - Total \$6.1M or 31.9%
 - 9.0% increase in salaries in FY 19
 - 4.0%/year ongoing growth for salaries
 - “Not in Carroll” – 5 new positions
 - 10 new positions for SROs

Board Actions – Public Safety

- Sheriff
 - Detention Center pension changes
 - Contractual inmate housing
 - Gun replacement, Tasers, truck scales, mobile speed trailers
 - Keystone CAD
 - Training Academy
 - Space at NCHS for Training Academy

Board Actions – Public Safety

- State's Attorney
 - \$0.8M or 27.0%
 - 4 new positions for “Not in Carroll”
 - 1 new Drug Court Prosecutor position
 - 2 new positions for MCIN (\$65K increase in transfer to grants for match)
- Youth Services Bureau - Drug treatment
 - \$125K ongoing in FY 17
 - \$75K additional ongoing each year until we reach \$0.5M in FY 22

Not in Carroll

- FY 19 \$0.3M
- Total \$1.7M
 - \$0.5M 5 Sheriff ROPE Unit positions
 - \$0.6M 6 State's Attorney positions
 - \$0.3M Youth Services Bureau drug treatment
 - \$0.3M additional ongoing for Not In Carroll

State Budget

FY 20

FY 20 State Budget

- As always, there is uncertainty.
- Their plan isn't balanced.
- We should know more by the Proposed Sessions, but important decisions could be made by the State the day before you begin budget deliberations.

What Does it Mean at Home?

State Budget Impact in Carroll County

Impact In Carroll County

- Aid to Local Government (without retirement)
 - CCPS – \$2.7M or 2%
 - CCC – \$6,000 or flat
 - CCPL – \$37,000 or 3.6%
 - Health Department – \$134,000 or 7.4%

Impact In Carroll County

- Towns
 - HUR
 - Grant \$2.2M, \$0.6M increase
 - POS
 - \$0.4M or flat

Impact In Carroll County

- Commissioners
 - HUR
 - Grant \$2.5M or \$0.2M increase
 - Police Aid – \$11,570 increase
 - POS – \$0.1M increase

Where Are We?

FY 19 Projected Year-End

FY 19 YE Revenue Projection

FY 19 Budget	\$411.3M
FY 19 Projection	411.5M
Change	\$0.2M

FY 19 Year-End Projection

Revenues	\$0.2M
Reserve for Contingency	4.0M
Net Expenditures	1.7M
Year-End Balance	\$5.9M
Planned Carryover to FY 21	(\$3.9M)
Projected FY 19 Unassigned	\$2.0M

FY 20-25 Revenue Projections

The Top Revenues

In millions	FY 19 Budget	FY 19 Projected	FY 20 Projection
Real Property	\$196.9	\$197.6	\$202.8
Income Tax	148.8	148.8	152.8
Recordation	14.9	14.4	14.7
Railroad & Utilities	7.5	7.8	8.0
Business Property	8.2	8.2	8.1
Investments	3.2	3.2	4.1
Total	\$379.5	\$380.0	\$390.5

Revenue Changes From Adopted Plan

In millions	FY 20	FY 21	FY 22	FY 23	FY 24
Real Property Tax	(\$0.4M)	(\$0.9M)	(\$1.3M)	(\$1.5M)	(\$1.7M)
Stormwater Fund	0.4	0.2	0.2	0.2	0.2
Ag Pres	0.0	0.0	0.0	0.0	0.0
Net Real Property Tax	\$0.0M	(\$0.7M)	(\$1.1M)	(\$1.3M)	(\$1.5M)

Revenue Changes From Adopted Plan

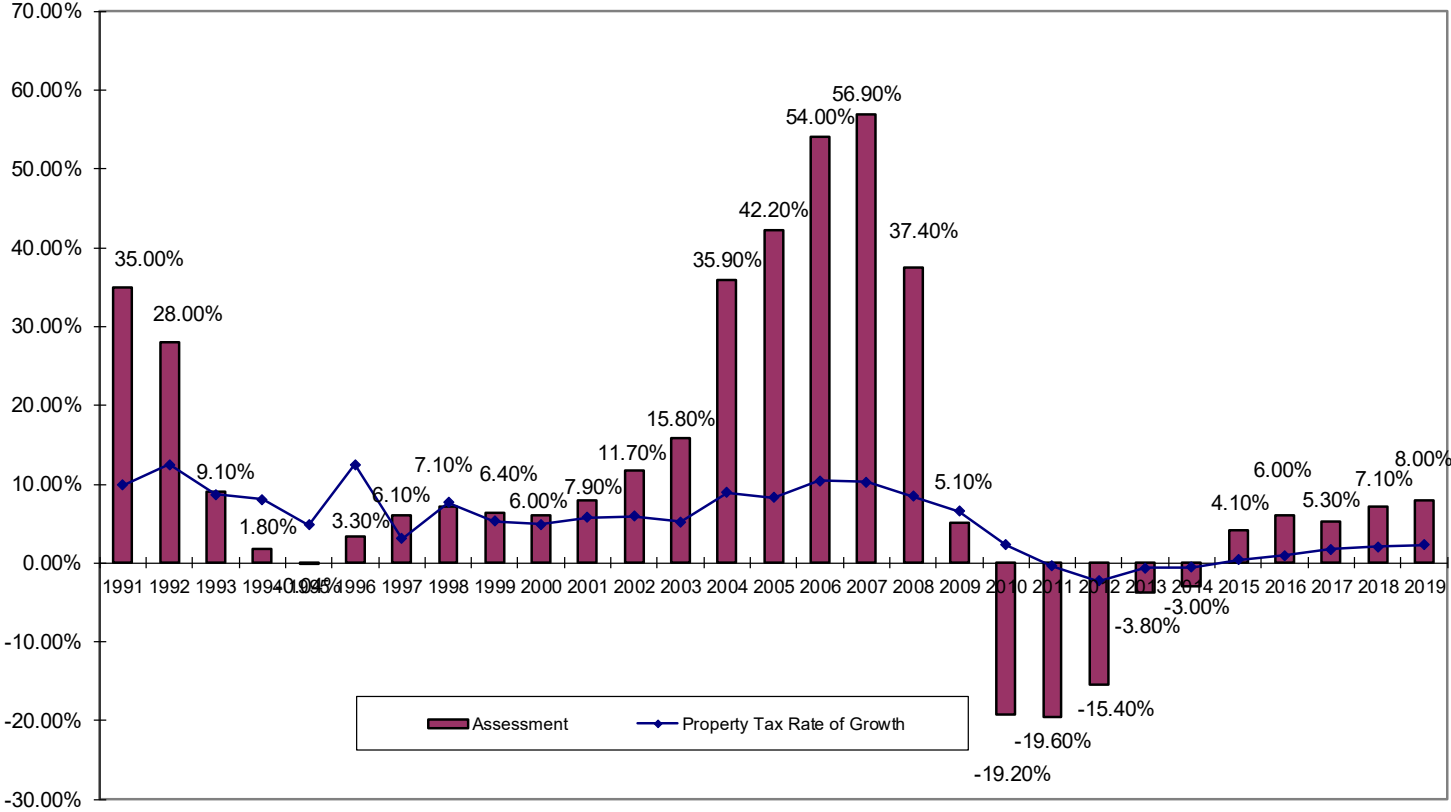
In millions	FY 20	FY 21	FY 22	FY 23	FY 24
Net Real Property	\$0.0M	(\$0.7M)	(\$1.1M)	(\$1.3M)	(\$1.5M)
RR&PU	0.5	0.6	0.6	0.7	0.7
Business	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
Total Property Tax	\$0.3M	(\$0.3M)	(\$0.7M)	(\$0.8M)	(\$1.0M)

Revenue Changes from Adopted Plan

In millions	FY 20	FY 21	FY 22	FY 23	FY 24
Property Tax	\$0.3M	(\$0.3M)	(\$0.7M)	(\$0.8M)	(\$1.0M)
Income Tax	(2.3)	(3.3)	(3.9)	(5.1)	(6.4)
Recordation	(0.7)	(1.0)	(1.2)	(1.5)	(1.4)
Interest	0.0	0.0	(0.3)	(0.3)	(0.3)
Other	(0.5)	(0.4)	(0.7)	(0.9)	(1.0)
Total Annual Revenues	(\$3.2M)	(\$5.0M)	(\$6.8M)	(\$8.6M)	(\$10.1M)

Property Tax

Reassessment History



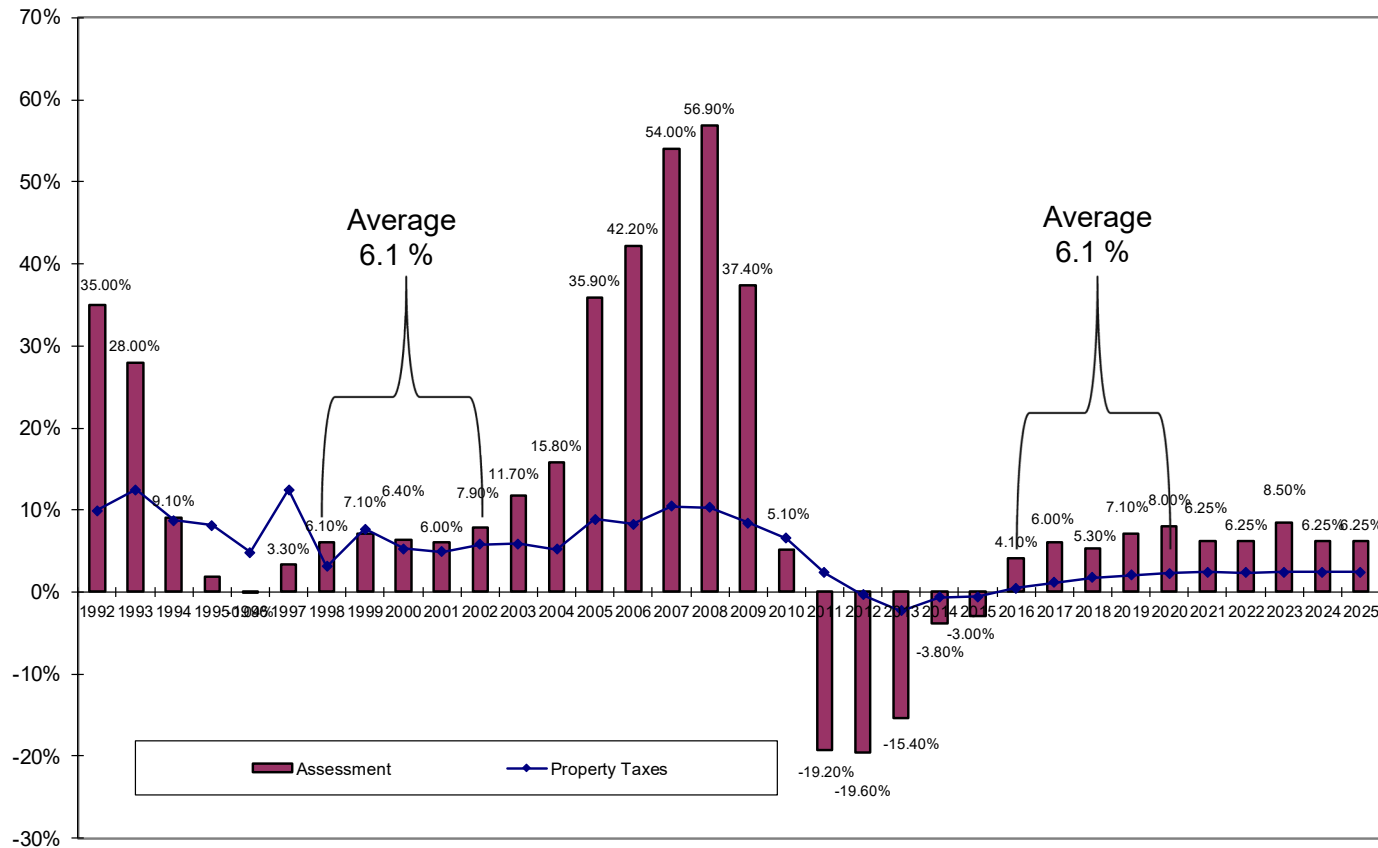
Reassessments

	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25
Group 1 – South Carroll	2.67%	2.67%	2.67%	2.83%	2.83%	2.83%
Group 2 – North Carroll	1.77%	2.08%	2.08%	2.08%	2.08%	2.08%
Group 3 – Westminster Taneytown	2.37%	2.37%	2.08%	2.08%	2.08%	2.08%
Annual Growth	2.31%	2.41%	2.33%	2.40%	2.40%	2.40%

Assessments

	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25
Annual growth from reassessments	2.31%	2.41%	2.33%	2.40%	2.40%	2.40%
Annual growth including new construction	3.00%	3.00%	2.87%	2.94%	2.89%	2.84%

Reassessment History And Projections



Total Real Property Tax

- FY 18 actual \$186.9M
- FY 19 forecast \$191.7M or 2.6%
- FY 20 forecast \$198.0 or 3.3%
 - Net of appropriation to Stormwater Fund and Ag Pres

Total Property Tax

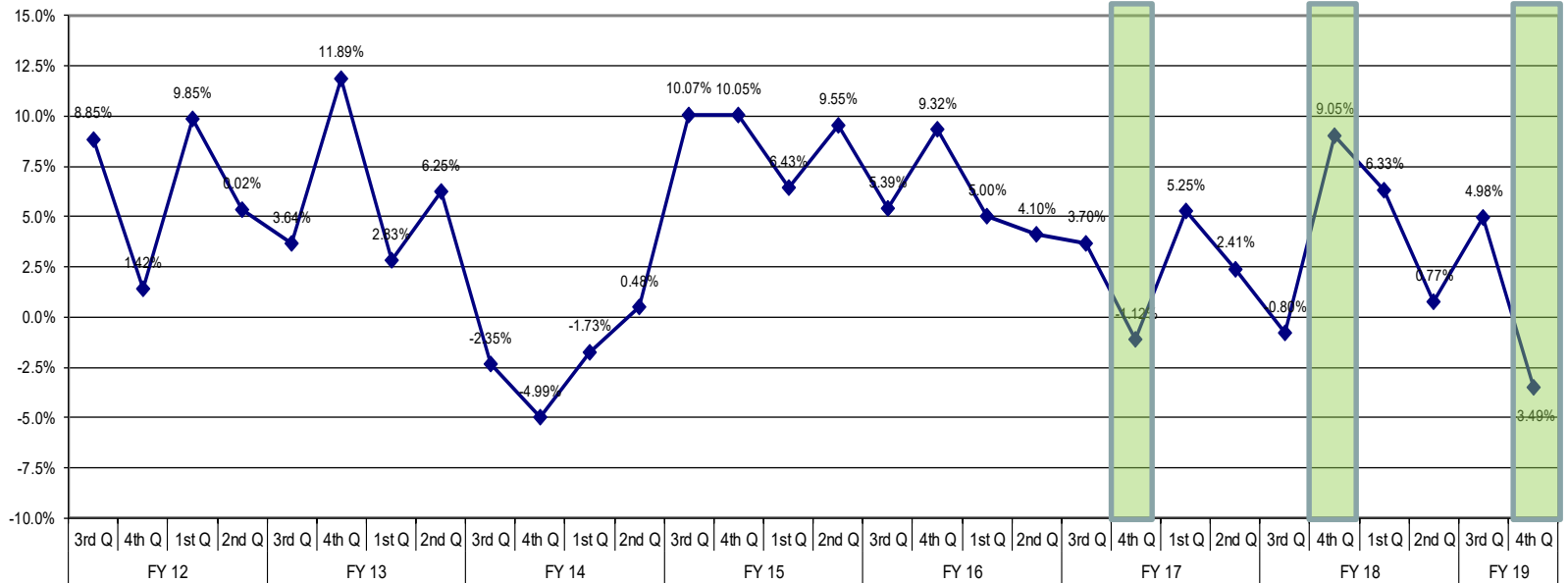
	FY 20	FY 21	FY 22	FY 23	FY 24
FY 20-24 Forecast	\$214.1	\$219.6	\$225.0	\$230.6	\$236.6
FY 19-24 Plan	\$213.8	\$219.9	\$225.6	\$231.5	\$237.6
Change	\$0.3	(\$0.3)	(\$0.6)	(\$0.9)	(\$1.0)

Real Property Tax Detail

In millions	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25
Base	\$197.3	\$203.3	\$209.4	\$215.4	\$221.7	\$228.1
New Construction	1.5	1.3	1.3	1.3	1.3	1.3
Reassessment	4.5	4.8	4.7	5.0	5.1	5.2
Homestead Tax Credit	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)
Credits	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
Other Adjustments	0.2	0.2	0.2	0.2	0.2	0.2
Total	\$202.8	\$208.9	\$214.9	\$221.2	\$227.6	\$234.1

Income Tax

Income Tax Distributions



Income Tax

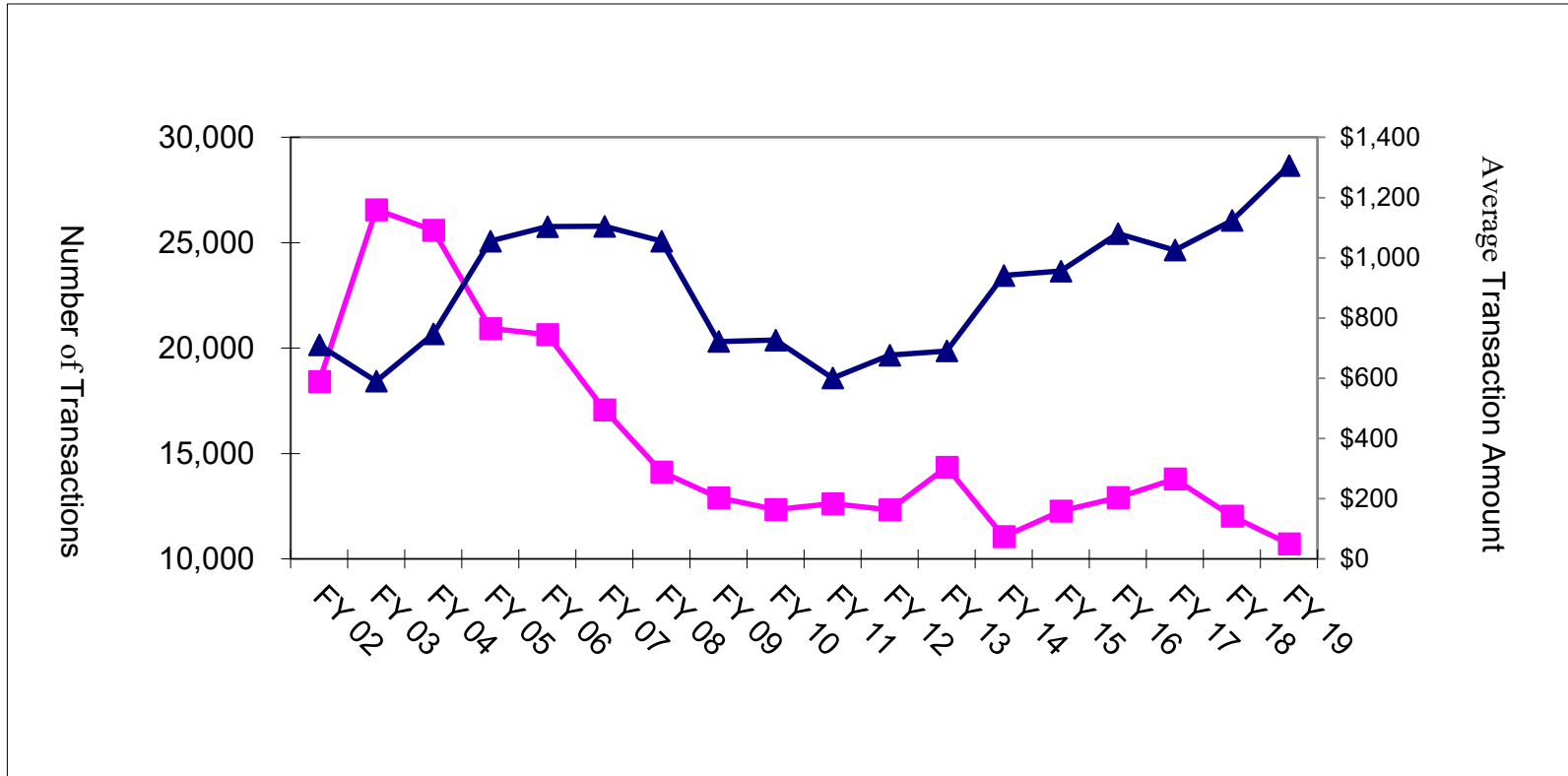
- FY 18 actual \$141.8M
- FY 19 forecast \$148.8M or 4.9%
- FY 20 forecast \$152.8M or 2.7%

Income Tax

	FY 20	FY 21	FY 22	FY 23	FY 24
FY 20-24 Forecast	\$152.8	\$159.5	\$166.5	\$173.8	\$181.5
FY 19-24 Plan	\$155.1	\$162.8	\$170.4	\$178.9	\$187.9
Change	(\$2.3)	(\$3.3)	(\$3.9)	(\$5.1)	(\$6.4)

Recordation Tax

Recordation Activity



Recordation

- FY 18 actual \$13.8M
- FY 19 forecast \$14.4M, or 4.3%
- FY 20 forecast \$14.7M, or 2.1%

Recordation

Recordation Actuals

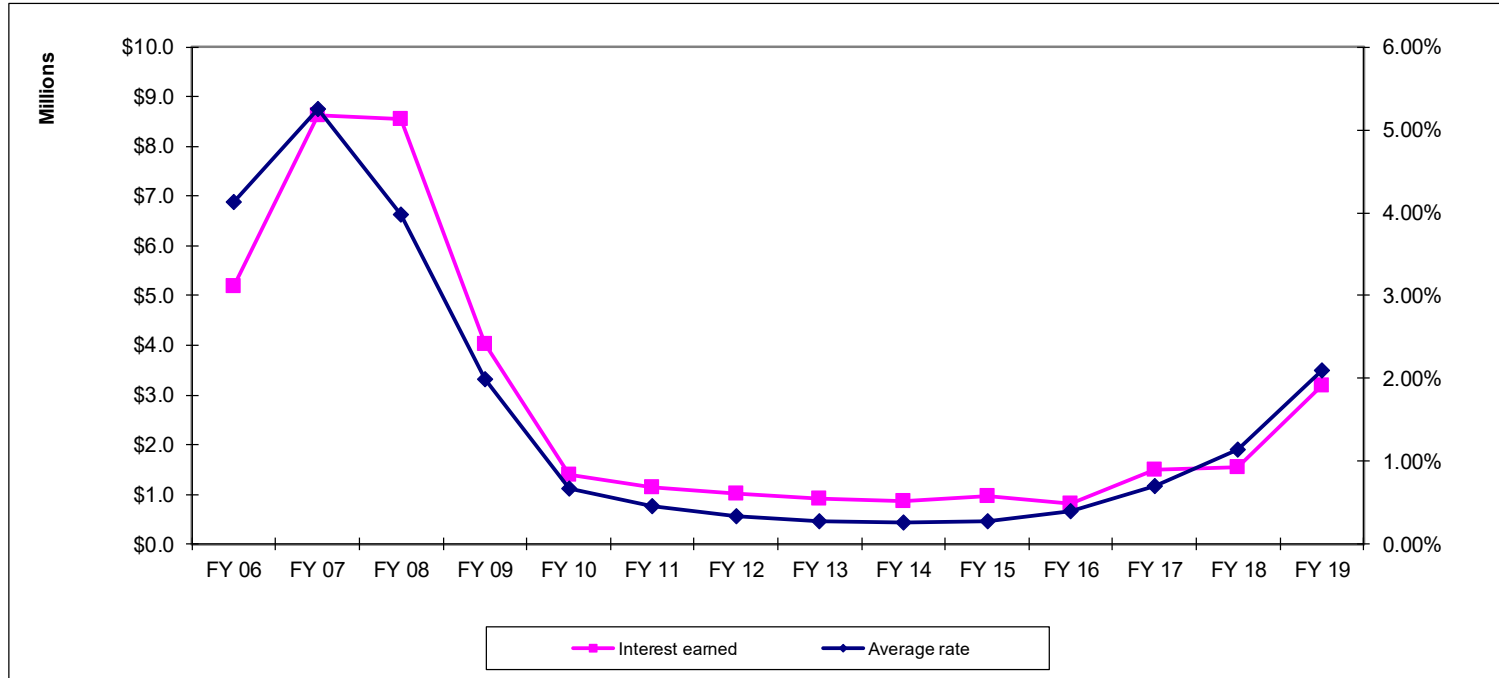


Recordation Tax

	FY 20	FY 21	FY 22	FY 23	FY 24
FY 20-24 Forecast	\$14.7	\$14.9	\$15.2	\$15.4	\$15.6
FY 19-24 Plan	15.4	15.9	16.4	16.9	17.0
Change	(\$0.7)	(\$1.0)	(\$1.2)	(\$1.5)	(\$1.4)

Investment Income

Investment Income



Investment Income

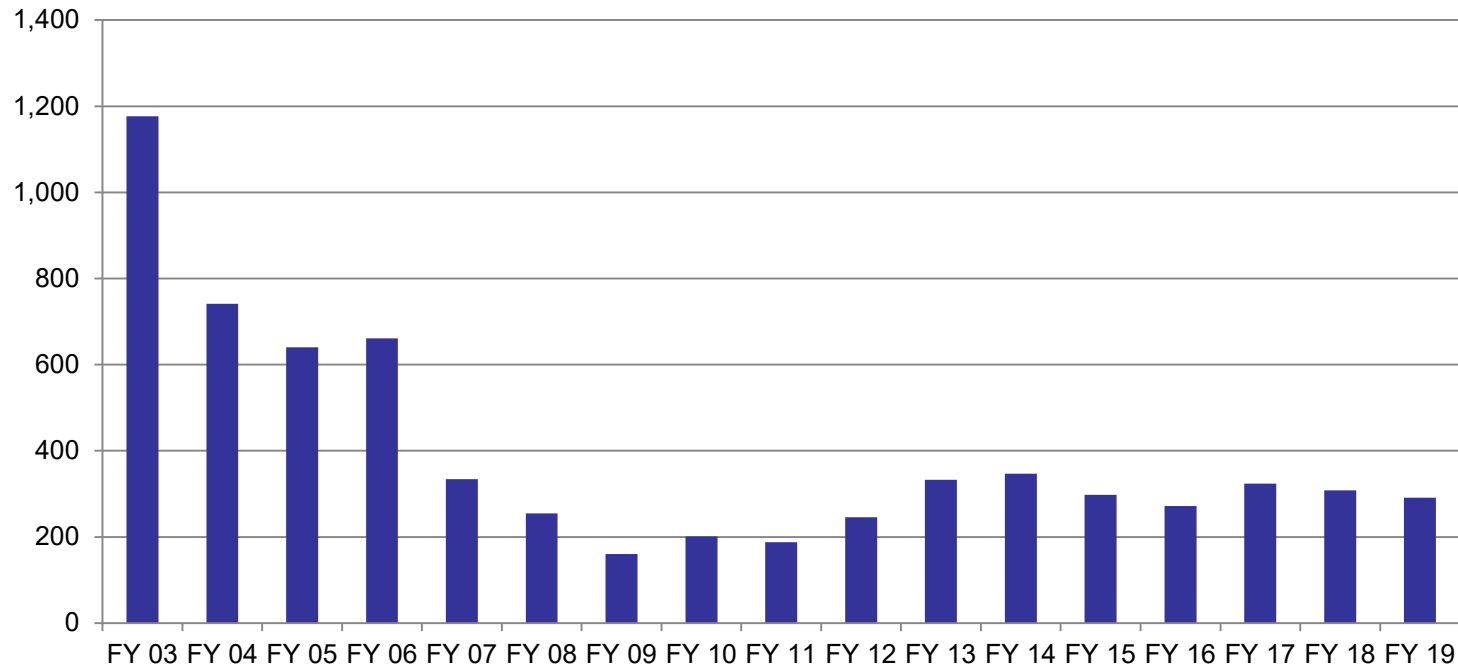
- FY 18 actual \$1.5M
- FY 19 forecast \$3.2M, or 213%
- FY 20 forecast \$4.1M, or 28%

Investment Income

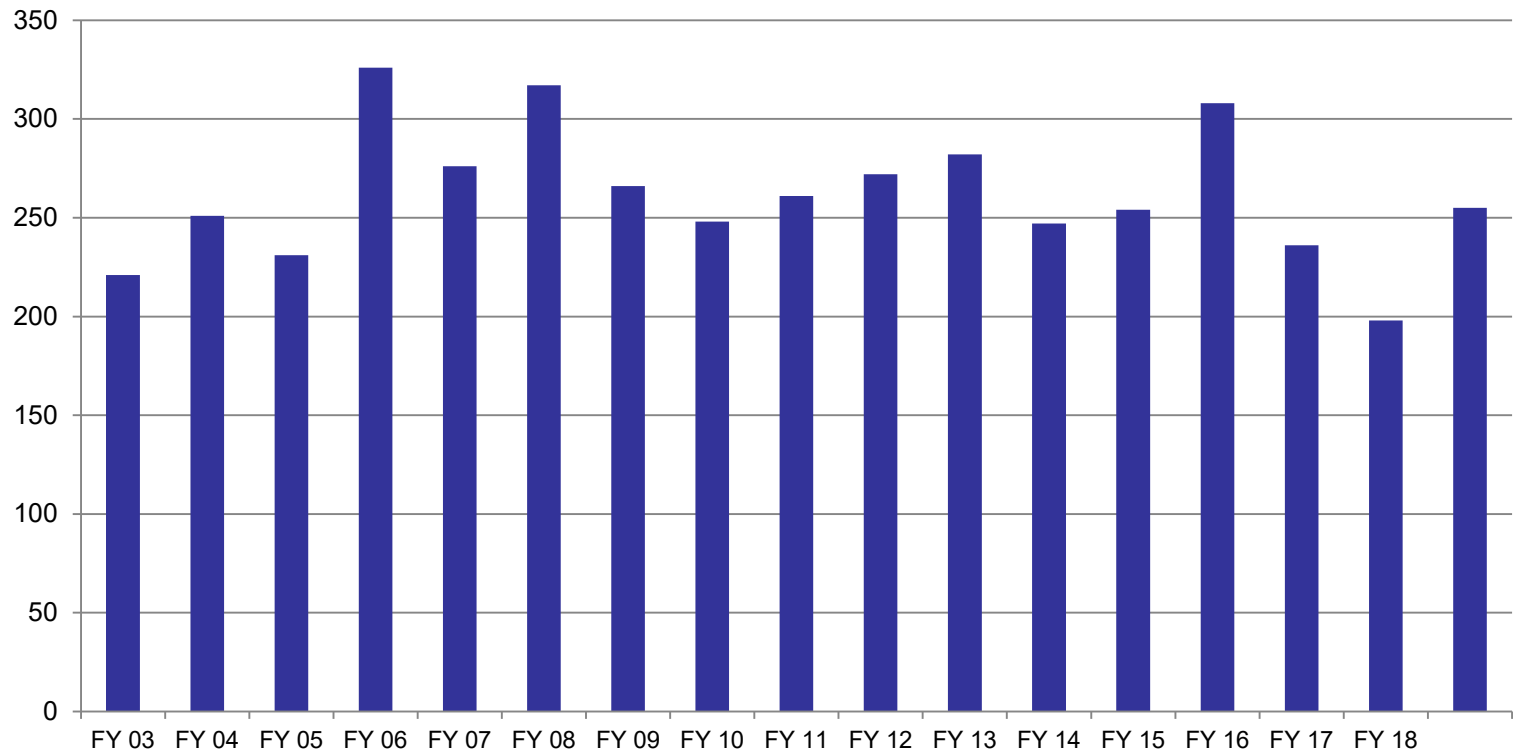
In Millions	FY 20	FY 21	FY 22	FY 23	FY 24
FY 20-24 Forecast	\$4.1	\$4.5	\$5.0	\$5.8	\$6.1
FY 19-24 Plan	4.1	4.5	5.3	6.2	6.5
Change	\$0.0	\$0.0	(\$0.3)	(\$0.4)	(\$0.4)

Building Permits

Residential Permits Issued



Commercial/Industrial Permits Issued



Building Permits

- FY 18 actual \$507,000
- FY 19 forecast \$560,000
- FY 20 forecast \$565,000

Building Permits

In Millions	FY 20	FY 21	FY 22	FY 23	FY 24
FY 20-24 Forecast	\$0.6	\$0.6	\$0.6	\$0.6	\$0.6
FY 19-24 Plan	0.6	0.6	0.6	0.6	0.6
Change	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0

FY 20-25 Operating Plan

Op Plan Assumptions

- CCPS – Specific dollar amounts as included in FY 19-24 Adopted Plan
- Salaries
 - 3.0%
 - Sheriff 4.0%

Op Plan Assumptions

- General – FY 20-24 3%/year
- Detention Center – 3.5% growing to 4%/year
- Intergovernmental – 2%/year
- Debt Service – Tied to planned bonds in the CIP
- Assumed use of surplus of 1%

Op Plan Assumptions

- Reserve for Contingencies – 1% of revenue
- Non-profit service providers – varying growth rates

Op Plan Assumptions

- Ag Pres
 - 2.25% of real property
 - Adjustments made by BCC in the FY 19 – 24 Operating Plan
 - FY 20 – (\$0.5M)
 - FY 21 – (\$0.5M)
 - FY 22 – (\$0.25M)

Op Plan Assumptions

- Board of Elections – 5%/year
- Pension – Based on salaries
- Reserve for Positions - \$200,000 additional every year from FY 20-24
- Risk – 5%/year
- Various other smaller specific assumptions

Op Plan Drivers

- Increases from Current Adopted Plan:
 - Debt Service
 - County
 - Board of Education – offset by revenue
 - Match for SAO MCIN grant
 - Webhosting for new website
 - Veterans transit increase

Op Plan Drivers

- Decreases from Current Adopted Plan
 - Fuel
 - Utilities

LOSAP

- We added \$1M one-time funding in FY 19
- Funding ramps up in the Op Plan
- Three things working against us:
- Next actuarial valuation as of January 1, 2019 is expected June 2019

Changes From Op Plan

In millions	FY 20	FY 21	FY 22	FY 23	FY 24
County Debt Service	\$0.2	\$0.0	\$0.3	\$0.2	\$0.1
BOE Debt Service	\$0.0	\$0.3	\$0.6	\$1.3	\$1.2
DPW - Utilities/Fuel	(\$0.4)	(\$0.2)	(\$0.2)	(\$0.2)	(\$0.2)
Other – MCIN, Veterans Transit, etc.	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1
Total	(\$0.1)	\$0.2	\$0.8	\$1.4	\$1.2

Debt Service Detail

In millions	FY 20	FY 21	FY 22	FY 23	FY 24
County	\$24.7	\$22.9	\$22.3	\$22.9	\$23.3
CCPS	10.2	11.1	11.5	12.9	14.2
Ag Pres	1.8	1.9	2.2	2.7	3.0
Stormwater	1.2	1.5	1.9	2.2	2.6
Total Projected Debt Service	\$37.9	\$37.4	\$37.9	\$40.7	\$43.1
FY 19-24 Planned	\$37.9	\$37.4	\$37.2	\$39.5	\$42.1
Difference	\$0.0	\$0.0	\$0.7	\$1.2	\$1.0

So Where Does That Leave Us?

Op Plan Balances

FY 19-24 Adopted In millions	FY 20	FY 21	FY 22	FY 23	FY 24
Adopted Balance	\$0.0	\$0.0	\$0.0	\$0.3	\$0.3
%	0.0%	0.0%	0.0%	0.07%	0.06%

Recommended In millions	FY 20	FY 21	FY 22	FY 23	FY 24
Change in Revenues	(\$3.3)	(\$4.7)	(\$6.2)	(\$7.4)	(\$8.9)
Change in Expenditures	(0.1)	0.2	0.8	1.4	1.2
Balance prior to other expenditure changes	(\$3.2)	(\$4.9)	(\$6.8)	(\$8.8)	(\$10.1)
%	(0.7%)	(1.1%)	(1.5%)	(1.9%)	(2.1%)

Unassigned Fund Balance

	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18
Annual	\$1.6M	\$5.3M	\$6.7M	\$10.4M	\$10.3M	\$3.5M
Cumulative	\$1.6M	\$0.7M	\$0.4M	\$4.2M	\$11.0M	\$4.0M

Assigned Fund Balance

From:	FY 20	FY 21	FY 22
FY 15 Assigned	\$1.0M	\$0.0	\$0.0
FY 17 Assigned	4.1	0.0	2.2
FY 18 Assigned	3.8	0.0	0.0
Total Assigned	\$8.9M	\$0.0M	\$2.2M

Bottom Line

FY 20-24 In millions	FY 20	FY 21	FY 22	FY 23	FY 24
Op Plan Balance	(\$3.2)	(\$4.9)	(\$7.0)	(\$8.8)	(\$10.1)

What, Me Worry?

Really Big Things On My Mind

- Kirwan Commission
- Fire/EMS Transition
- Revenue picture
- CCPS \$8.9M request
- CCC \$565K for salary increase
- Sheriff disability

Things On My Mind

- State
 - Legislative actions in this Session
 - Federal tax changes and State legislation
 - Their plan isn't balanced

Things On My Mind

- CCPS
 - Kirwan Commission
 - Budget request
 - East Middle School
 - K-8
 - Modernizations/Systemics
 - Pre-K
 - Proposed new construction funding

Things On My Mind

- HUR Grant
 - Uncertainty about future funding
- Solid Waste long-term plan
- Westminster Library fundraising
- Artificial turf field
- Next Gen 911
- Marriottsville 911 coverage
- LOSAP

Things On My Mind

- Space issues
 - North Carroll
 - \$0.6M of operating expenditures for NCHS not planned past FY 21
 - Sheriff
 - Sheriff Headquarters
 - Academy
 - Detention Center
 - Day reporting center
 - Minimum security facility
 - Eventual new facility

Things On My Mind

Things On My Mind

- Fiber Enterprise Fund
- Technology needs and ongoing impacts
- Infrastructure funding
- Pressure on services
- Managing expectations
- Reduced flexibility

Where Do We Go From Here?

Budget Calendar

- March
 - Recommended Session on March 26th
- March/April
 - Agency Sessions
 - Issues

Budget Calendar

- April
 - Sine Die 4/8
 - Proposed Sessions 4/9-4/23
 - Set up and structure
 - Scenarios
 - ‘What ifs’ on the fly
 - Release of Proposed Budget 4/30
 - Five community budget meetings 5/1-5/8

Budget Calendar

- May
 - Public Hearing 5/13
 - Adopted work sessions 5/21-5/22
 - Budget Adoption 5/28
- There isn't a lot of flexibility in the schedule

Back To The Beginning

- We aren't making decisions today.
- We are trying give you some things to think about as we head into the budget process.
- Any additional Board direction would be welcome.