

# Fiscal Year 2017 Budget Summary

## The Recession That Won't Go Away

The Great Recession technically ended years ago, but the County still hasn't moved beyond its impacts. Revenues are recovering, but slowly. Housing sales have picked up some, but we are still working our way through foreclosures. There hasn't been a lot of new construction and assessments are increasing slowly. Unemployment is low, but wage growth is modest. Carroll's operating budget has experienced little growth averaging just 1.2% annually since FY 09. Property Tax, the County's largest revenue source, is growing again after five consecutive years of negative reassessments. Property Tax revenue, however, isn't expected to reach 3% annual growth until FY 20. During the recession, every significant County revenue declined. The only revenue to recover to pre-recession levels is Income Tax.

## The Total Budget

The Operating Budget, or General Fund, gets most of the attention, but the County budget includes thirteen funds. The All Funds budget is \$502.8M, a decrease of \$4.6M, or 0.9%, from FY 16. There are changes to every fund, but the decrease is driven primarily by the Hampstead Wastewater Treatment Plant Enhanced Nutrient Removal project that was budgeted in FY 16.

## The Operating Budget

The FY 17 Operating Budget is \$388.4M, an \$8.4M, or 2.2%, increase over FY 16. The increase in ongoing revenue is driven by growth in the County's three largest revenues, Property Tax, Income Tax, and Recordation Tax.

Limited revenue growth means limited opportunity to improve services and sometimes to even maintain services. Adopting a budget requires a series of choices between competing needs and priorities. Highlights of Commissioner choices in the FY 17 Budget include:

- \$5.7M, or 3.2%, increase to Carroll County Public Schools to fund salary increases
- \$0.7M, or 8.9%, increase to Carroll Community College to fund salary increases
- \$0.7M, or 3.6%, increase to Carroll County Sheriff's Office to fund their salary plan and purchase of Tasers
- \$0.6M, or 5.4%, increase to Volunteer Emergency Services Association (VESA) to fund the volunteer fire companies, a reserve ambulance and Self-Contained Breathing Apparatus
- \$6.0M over the six-year plan for the remaining phases of the Public Safety Training Facility
- \$0.5M of one-time funding in FY 17 for maintenance and utilities of closed schools
- \$0.3M to the Carroll County Public Library for technology
- \$0.3M increase to non-profit service providers, including:
  - \$125,000 of funding to Youth Services Bureau to provide counseling services to drug users

- \$80,000 for the Domestic Violence Safe House
- \$48,000 to replace a wheelchair lift van for Flying Colors of Success
- \$41,000 to Rape Crisis to restore an outreach specialist position
- Additional \$10,000 each to Target, The Arc, and CHANGE
- \$0.2M for storm drain rehabilitation
- \$0.2M for park restoration
- \$0.1M for State road projects

In FY 10, the county eliminated approximately one-hundred positions that reported to the Commissioners in efforts to offset declining revenue. Few of those positions have been restored. The FY 17 Budget includes funding for twelve positions, the first significant effort to add back positions.

### Balancing the Plan

Although some one-time and short-term funding was used to balance FY 17-19, it is important to note that it was done in context of our balanced Operating Plan. Few jurisdictions build multi-year budget plans that are balanced for all years. Carroll County uses a six-year operating plan to capture future year impacts and the sustainability of current year actions. The Board of County Commissioners made the decisions necessary to balance all years in the FY 17-22 Plan. Below are the bottom lines of the FY 17-22 Operating Plan.

Millions	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22
Revenues	\$388.4	\$395.5	\$406.5	\$417.0	\$432.1	\$449.6
Expenditures	388.4	395.5	406.5	415.3	430.4	446.0
Balance	\$0.0	\$0.0	\$0.0	\$1.7	\$1.7	\$3.6
% of Budget	0.0%	0.0%	0.0%	0.4%	0.4%	0.8%

### County Highlights

Even after numerous years of troubled economic conditions and modest revenue growth, the County has many good things to talk about:

- Carroll County Public Schools continues to be among the most highly ranked systems in the highly ranked State of Maryland.
- Carroll County Public Library continues to have one of the highest circulation rates per capita in the State.
- Significant business and employment developments are progressing, creating the potential for high-quality job opportunities.
- More than 69,000 acres are under permanent easement in our Agricultural Land Preservation programs, supporting agribusiness and maintaining our rural heritage while avoiding the costs of services and infrastructure to serve residential development.
- Carroll continues to be highly rated by the credit rating agencies with two AAA and one AA+ rating. We continue to see strong demand for our bond issues.

## **Stay Informed**

The Commissioners continue to make their actions available for review and participation by the public. You can follow the budget, and other actions and discussions, through:

- Cable Channel 24 broadcasts
- A video archive of public meetings on the website
- County Connections, the Commissioners' monthly newsletter, available on the County website
- A website with an abundance of information, including the detail of the Budget
- Automatic emails to provide updates on changes that appear on the website
- Regular community meetings
- A Commissioner radio report broadcast live on WTTR on Sunday mornings and available on the County website

All of the FY 17 budget sessions, from the first Budget Overview to the Adoption of the Budget, were open to the public and appeared on the local government channel. These videos remain available on the County website. Thank you for your interest in the Commissioners' budget.

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