



Steve Schuh

County Executive

FY 2018 Proposed Budget Summary

The FY 2018 budget keeps the promises made by the Schuh Administration by accelerating the County Executive's five point strategic plan for a stronger Anne Arundel County.

Major achievements include:

- **Reducing Taxes and Fees:** Over the last two years, the Schuh Administration has enacted more than \$64 million in tax and fee relief. The FY2018 budget continues this initiative, by eliminating unnecessary taxes that hurt working families like:
 - The movie tax: a nearly one dollar per person nuisance tax that hits our citizens as they enjoy a night out with the family.
 - The athletic facility tax: a \$36 per year tax that adds to the cost of exercise. We should be encouraging our citizens to embrace a healthy life style, not creating barriers.
 - The mobile home tax: a \$300 per year tax that places an unnecessary burden on residents of mobile home communities.

- **Strengthening Education:** The FY 2018 budget fully funds a \$15.6 million teacher salary step increase and the largest school construction effort in County history, including construction money for Crofton High School
- **Investing in Public Safety:** The FY 2018 budget includes funding for 38 new public safety personnel and funds the construction of the new police academy and central booking facility.
- **Reforming County Government:** The FY2018 budget will centralize all background checks so that our various front line departments, particularly public safety, are not distracted from their primary missions by having to conduct background checks. The Department of Inspections and Permits has also been restructured for better deployment of staff. The County is digitizing personnel forms to help accelerate hiring.
- **Improving the Overall Quality of Life:** The FY 2018 budget also works to improve resident's overall quality of life by making strategic investments to protect our waterways and enhance recreational opportunities, including:
 - More than \$233 million over 6 years to improve our waterways.
 - Planning dollars for a tennis facility in Millersville. We have re-designed this facility in response to community concerns to assure adequate tree buffers and environmental safeguards.
 - \$50,000 to upgrade the pool facility at Woods Community Center in Severna Park as part of our broader strategy of making sure that every citizen has access to a publicly accessible pool.

- \$5 million to upgrade the dilapidated Eisenhower golf course in Crownsville, making it a sustainable, better managed asset that will attract golfers from across the region.
- \$36 million to fully connected system of bike trails.
- Funding to open TWO new boat ramps this year: one in Shady Side and the other in Solley Cove.



Steven R. Schuh, County Executive

FY2018 Budget Overview

John R. Hammond
Budget Officer

Office of the Budget

Jessica Leys Hujia Hasim
Steven Theroux Kurt Svendsen
Tomi Adebo Naomi Carrigan
Mickey Kirby

Emeritus Member
Fred Lickteig

May 1, 2017

Highlights

- **\$56 Million Increase in Recurring Revenue (+3.9%)**
- **Property Tax Rate Decreased 0.8 Cents, Reduction of 0.88%**
- **Tax Rate \$0.907 (Annapolis \$0.544, Highland Beach \$0.877)**
- **BOE Maintenance of Effort Funded - \$8,110 Per Student**
- **BOE County Funding Increase \$38.5 Million**
- **43 New Positions – Including 21 Police Department, 14 Fire Department, 1 Deputy Sheriff , 2 States' Attorney's Office**
- **\$4.0 Million Contribution to Revenue Reserve Fund –
\$66 million Projected Fund Balance at the end of 2018**
- **Retiree Health Insurance Funding Plan Continued**
- **No utility rate increase is proposed**
- **No rate increase is proposed for residential trash collection**

Efficiencies & Enhancements

- **Public Safety Positions**
 - 20 Police Officers & 1 Civilian Support Position
 - 14 Civilian Fire Communication Positions Replacing 14 Firefighters to Be Assigned to Fire Stations
 - 1 State’s Attorney and 1 Paralegal for Drug Court
 - 1 Sheriff
- **Health Department**
 - Mosquito Program Expanded to 400 communities
 - R.A.T. Program Expanded
 - Expansion of Crisis Response Team
- **Transportation**
 - Consolidation Under CAO
 - Transportation Development Plan Initiated
 - Additional Support to Annapolis Transit System

3

Efficiencies & Enhancements

- **Personnel**
 - Consolidation of Public Safety Recruit Investigation
- **Library**
 - Second Year of \$1 Million Collection Expansion Initiative
- **Recreation & Parks**
 - Continued funding for Phragmites Eradication
 - 3 new positions for better management of expanding facilities

4

Year-to-Year Growth

(Millions)

	<u>Budget</u>		
FY2018	\$1,518.9		
FY2017	<u>\$1,447.8</u>		
Increase	\$ 71.1	+4.9%	
Revenue	\$56.0	3.9%	
Fund Balance	\$15.0	1.0%	

5

Positions

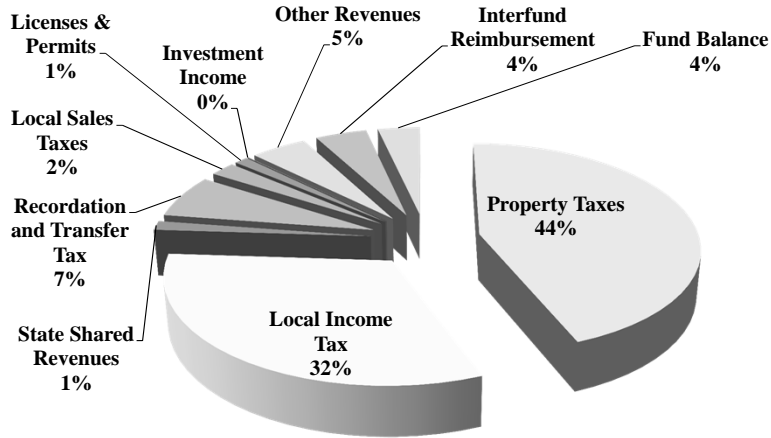
43 Net New General Fund Positions

- Police +21
- Fire +14
- Sheriff +1
- State's Attorney +2
- Recreation & Parks +3
- Planning and Zoning +1
- Inspections & Permits + 1

6

General Fund Revenue

\$1,518,854,800



7

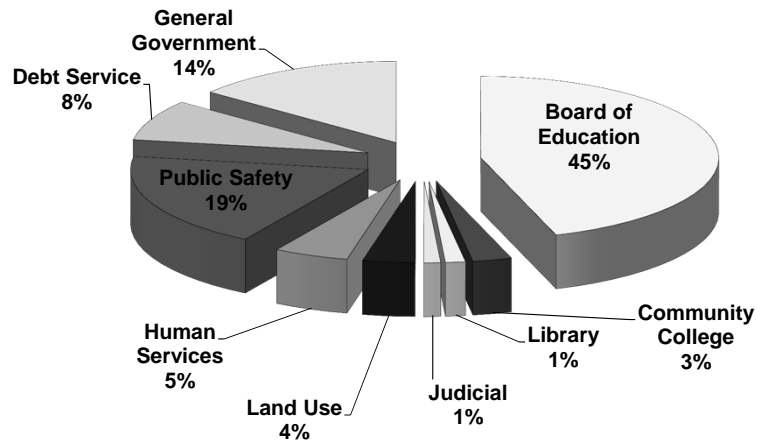
Revenue

	FY18 Amt. (Millions \$)	Increase 2017 Bud	Increase 2017 Adj
Property Tax	668.4	3.0%	2.6%
Income Tax	486.0	5.0%	4.6%
State Shared Revenue	21.1	32.1%	27.9%
Recordation & Transfer	100.0	5.3%	0.0%
Local Sales Tax	32.9	-3.6%	-0.9%
Licenses & Permits	17.5	-2.8%	0.6%
Investment Income	0.6	500.0%	0.0%
Other	72.2	7.9%	5.1%
Interfund Reimbursements	<u>65.1</u>	<u>6.3%</u>	<u>6.5%</u>
Total Recurring Revenue	1,463.8	4.3%	3.5%
One-time Revenues	0.9		
Fund Balance	<u>54.1</u>		
Total	1,518.9	4.9%	4.9%

8

Appropriations

\$1,518,854,800



9

Appropriations

(Millions)

Board of Education	\$681.7
Police	133.2
Fire	108.4
Detention	45.8
Community College	40.3
Public Works	34.0
Recreation & Parks	25.4
Health	38.2
Library	20.6
Aging	7.7
All Other	<u>383.5</u>
Total	\$1,518.9

10

Board of Education Funding

\$681.7 Million of County Funds

Recurring (Subject to MOE)	\$659.2
One-Time (Health Ins. Rescue Plan)	<u>22.5</u>
Total	\$681.7
Year Over Year Increase	6.0%

11

Board of Education County Funding

(Millions)

County Direct	\$681.7
Other County Funding:	
Debt Service	78.0
School Health	13.6
School Safety (Police)	<u>5.2</u>
Total	\$778.5

51.3% of County Budget

12

Board of Education Funding

Recurring Funding Increases

(Millions)

MOE	\$6.2
Teacher Pay Package	9.4
Health Insurance Fund Rescue	5.0
E-rate	1.4
Monarch Academy	<u>4.0</u>
Total	\$26.0

Year-Over-Year Increase 4.1%

13

Board of Education

\$30 Million Health Insurance Rescue Plan

Incremental Contribution From FY2017

	<u>FY2018</u>	<u>FY2019</u>
Cost savings from BX contract	\$ 2.0	\$ 4.0
Employee contribution increase	4.0	8.0
BOE reallocation of appropriations	4.0	8.0
Incremental County BOE Funding	<u>5.0</u>	<u>10.0</u>
Total	\$15.0	\$30.0

14

Community College Funding

(Millions)

	<u>Amount</u>	<u>% Total</u>
County	\$42.0	36.8%
State	29.5	25.8%
Tuition	38.7	33.8%
Other	<u>4.0</u>	<u>3.6%</u>
Total	\$114.2	100%

15

Library Funding

	<u>Amount</u>	<u>% Total</u>
County*	\$21,183,100	85.8%
State	2,253,600	9.1%
Fees, Fines, Collections	915,500	3.7%
Fund Balance	<u>323,100</u>	<u>1.3%</u>
Total	\$24,675,300	100%

**Includes General Fund, VLT and Laurel Racetrack contributions*

16

Debt Affordability Model

Fiscal Year 2018

(millions)

	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u>	<u>FY2021</u>	<u>FY2022</u>	<u>FY2023</u>
New Authority, Normal		163.0	163.0	163.0	163.0	163.0	163.0
Not used in prior year		11.6					
New Authority, IPA's		0	0	0	0	0	0
Total New Authority Affordability		174.6	163.0	163.0	163.0	163.0	163.0

Affordability Ratios and Guidelines

	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u>	<u>FY2021</u>	<u>FY2022</u>	<u>FY2023</u>
Debt Service as % of Revenue	12%	9.2%	9.4%	9.9%	10.0%	10.2%	10.4%
Debt as % of Full Value	2%	1.2%	1.3%	1.4%	1.4%	1.5%	1.5%
Debt as % of Personal Income	4%	2.7%	3.0%	3.1%	3.1%	3.2%	3.2%
Debt per Capita	\$3,000	\$ 1,760	\$ 2,013	\$ 2,134	\$ 2,232	\$ 2,322	\$ 2,478

17

Affordability Analysis

(millions)

	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u>	<u>FY2021</u>	<u>FY2022</u>	<u>FY2023</u>
BONDS						
Standard New Authority	\$163.0	\$163.0	\$163.0	\$163.0	\$163.0	\$163.0
Not Used in Prior Year	\$11.6	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Adjusted Affordability	\$174.6	\$163.0	\$163.0	\$163.0	\$163.0	\$163.0
Use of New Bond Authority	\$193.6	\$200.3	\$172.8	\$130.4	\$150.1	\$136.7
PAYGO						
Fund Balance	<u>\$26.7</u>	<u>\$6.0</u>	<u>\$5.0</u>	<u>\$5.0</u>	<u>\$5.0</u>	<u>\$5.0</u>
Use of PayGo	\$26.7	\$6.0	\$5.0	\$5.0	\$5.0	\$5.0
Bonds & PAYGO (Combined)						
Bonds & PAYGO Affordability	\$201.3	\$169.0	\$168.0	\$168.0	\$168.0	\$168.0
Use of Bonds & PAYGO	\$220.3	\$206.3	\$177.8	\$135.4	\$155.1	\$141.7
Amount Over (Under)	\$19.0	\$37.3	\$9.8	(\$32.6)	(\$12.9)	(\$26.3)
Cumulative :	\$19.0	\$56.3	\$66.0	\$33.5	\$20.6	(\$5.7)

18

Capital Budget Highlights

\$349.1 Million

• Information Technology Enhancement	\$ 10.7 Million
• County Facility System Upgrades	\$ 5.3 Million
• Police CID Facility	\$ 6.1 Million
• Galesville Fire Station	\$ 1.5 Million
• Woodland Beach Volunteer Fire Station	\$ 1.0 Million
• Road Resurfacing/Reconstruction/Masonry	\$ 25.7 Million
• Hanover Road Corridor Improvements	\$ 9.5 Million
• WB&A Trail	\$ 7.5 Million
• South Shore Trail	\$ 2.7 Million
• Eisenhower Golf Course Renovation	\$ 5.0 Million
• Broadwater Creek Dredging	\$ 1.4 Million
• Health Science & Biology Building	\$ 13.0 Million
• Riviera Beach Community Library	\$ 7.5 Million

19

Capital Budget Highlights – BOE

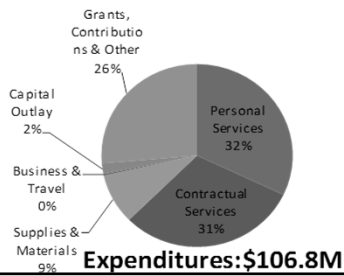
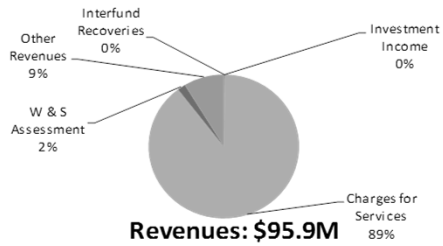
\$186.2 Million – 53.3% of Capital Budget

• Crofton Area High School	\$ 56.8 Million
• High Point Elementary	\$15.3 Million
• George Cromwell Elementary	\$13.8 Million
• Manor View Elementary	\$13.0 Million
• Jessup Elementary	\$18.5 Million
• Arnold Elementary	\$16.3 Million
• All Day K and Pre K	\$8.0 Million
• Open Space Classroom Enclosure	\$7.0 Million
• Building Systems Renovation	\$20.0 Million
• Maintenance Backlog	\$4.0 Million
• Roof Replacements	\$2.0 Million
• Security Related Upgrades	\$1.5 Million
• Athletic Stadium Improvements	\$3.3 Million
• Relocatable Classrooms	\$1.0 Million

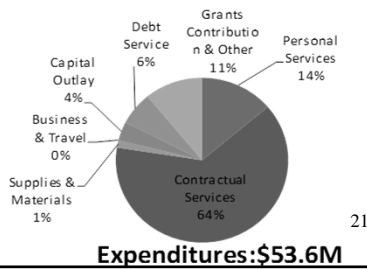
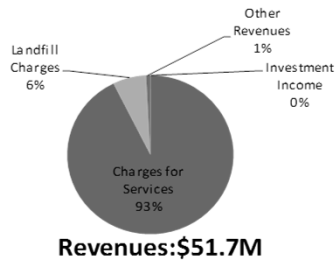
20

Enterprise Funds

Utility Fund



Solid Waste Fund



21

Complete Budget Documents

The entire Operating and Capital Budget, as well as the Budget Message are available at:

www.aacounty.org/budget/index.cfm

22