



Steven R. Schuh, County Executive

FY2019 Budget Overview

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Office of the Budget

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Highlights

- **\$67.1 Million Increase in Recurring Revenue (+4.6%)**
- **Property Tax Rate Decreased 0.5 Cents, Reduction of 0.54%**
- **Tax Rate \$0.902 (Annapolis \$0.541, Highland Beach \$0.872)**
- **BOE Maintenance of Effort Funded - \$8,346 Per Student**
- **BOE County Funding Increase \$25.2 Million 3.8% (Recurring)**
- **48 New Positions – Including 20 Police Officers, 10 Firefighters, 3 Assistant States' Attorney's**
- **\$6.5 Million Contribution to Revenue Reserve Fund – \$73.3 million Projected Fund Balance at the end of 2019**
- **Minimum 3% Pay Increase for Employee Groups**
- **Retiree Health Insurance Funding Plan continued**
- **Retiree Savings Plan employer contributions funded**
- **No user rate increases for Enterprise Funds**

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Efficiencies & Enhancements

- **Police Department**
 - 20 Additional Police Officers (10 for School Resource Officers)
 - Forensic Chemist
 - Starting Salary Pay Scale Enhancement
- **Fire Department**
 - 10 Additional Firefighters
 - 2 Communication Operators
- **State's Attorney**
 - 3 Assistant State's Attorneys
- **Health Department**
 - Enhanced focus on opioid crisis

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Efficiencies & Enhancements

- **Recreation & Parks**
 - 2 Additional Park Rangers
 - 2 Sports Complex Supervisors
 - 1 Maintenance Worker
- **Legislative Branch**
 - Additional Auditor Position
- **State Pension Liability Paid Off**
 - Frees up \$2.2 million for recurring purposes
- **Transportation & Emergency Management Departments**
 - Formal departmental status

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Year-to-Year Growth

(Millions)

| | <u>Budget</u> | | |
|-------------------|-------------------------|--------------|---|
| FY2019 | \$1,589.9 | | |
| FY2018 | <u>\$1,518.8</u> | | |
| Increase | \$ 71.1 | +4.7% | |
| Recurring Revenue | \$67.1 | 4.4% | |
| One-Time Revenue | \$-0.5 | | |
| Fund Balance | \$4.4 | 0.2% | 5 |

Positions

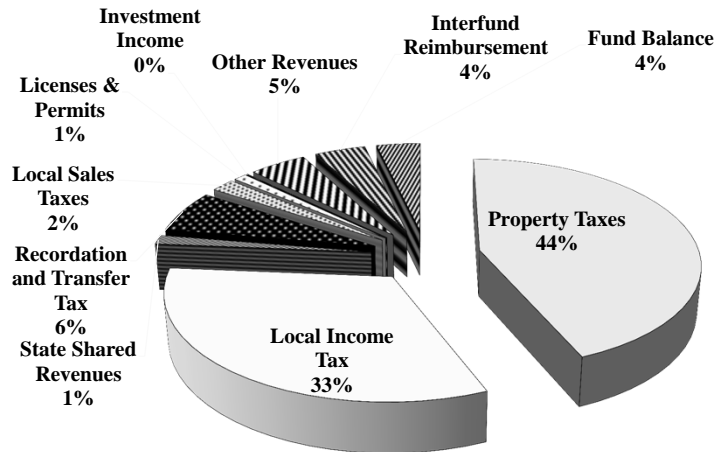
48 New General Fund Positions

- Police +22
- Fire +12
- Sheriff +1
- Circuit Court +1
- State's Attorney +3
- Recreation & Parks +5
- Planning and Zoning +2
- Information Technology +1
- Legislative Branch +1

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General Fund Revenue

\$1,589,938,000



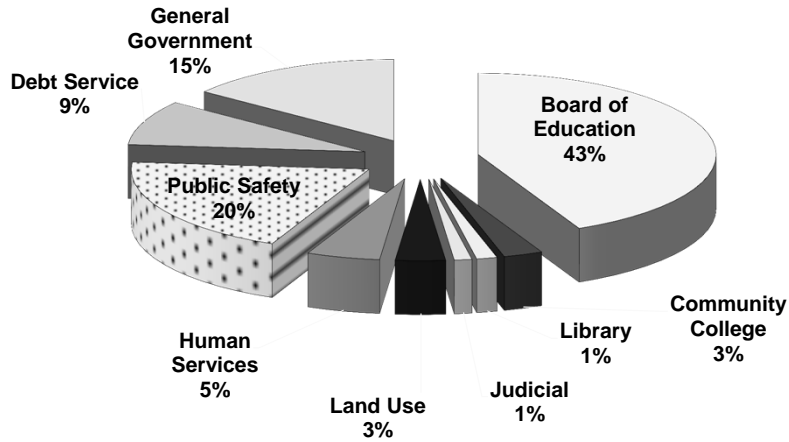
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Revenue

| | FY19 Amt. <u>(Millions \$)</u> | Increase <u>2018 Bud</u> | Increase <u>2018 Adj</u> |
|--------------------------|-----------------------------------|-----------------------------|-----------------------------|
| Property Tax | 694.8 | 3.9% | 2.8% |
| Income Tax | 518.0 | 6.6% | 2.7% |
| State Shared Revenue | 21.6 | 2.1% | 2.7% |
| Recordation & Transfer | 102.0 | 2.0% | -2.9% |
| Local Sales Tax | 31.9 | -2.9% | -1.1% |
| Licenses & Permits | 17.3 | -0.6% | 0.4% |
| Investment Income | 1.2 | 100.0% | 0.0% |
| Other | 74.9 | 6.0% | 4.1% |
| Interfund Reimbursements | <u>67.6</u> | <u>3.9%</u> | <u>10.5%</u> |
| Total Recurring Revenue | 1,529.4 | 4.6% | 2.6% |
| One-time Revenues | 1.9 | | |
| Fund Balance | <u>58.5</u> | | 8 |
| Total | 1,589.9 | 4.7% | 4.7% |

Appropriations

\$1,589,938,300



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Appropriations

(Millions)

| | |
|-------------------------------|------------------------|
| Board of Education | \$ 684.2 |
| Police | \$ 141.6 |
| Fire | \$ 114.2 |
| Detention | \$ 46.6 |
| Community College | \$ 42.4 |
| Public Works | \$ 34.4 |
| Recreation & Parks | \$ 25.9 |
| Health | \$ 39.5 |
| Library | \$ 22.2 |
| Aging | \$ 8.2 |
| All Other | <u>\$ 430.8</u> |
| Total | \$ 1,589.9 |

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Board of Education County Funding

(Millions)

| | |
|-------------------------------|-------------------|
| County Direct | \$684.2 |
| Other County Funding: | |
| Debt Service | 81.3 |
| School Health | 13.7 |
| School Safety (Police) | <u>5.4</u> |
| Total | \$784.6 |

Amount 51.3% of County Budget

(Recurring Revenue)

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Board of Education Funding

Unrestricted Funds

(Millions)

| | <u>Amount</u> | <u>% Total</u> |
|-------------------------|--------------------|--------------------|
| County | \$684.2 | 64.2% |
| State | 363.1 | 34.0% |
| Federal | 2.2 | 0.2% |
| Local | 4.0 | 0.4% |
| BOE Fund Balance | <u>13.0</u> | <u>1.2%</u> |
| Total | \$1,066.5 | 100% |

Year-over-Year Increase \$35.2 Million or 3.4%

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Board of Education Funding

(Millions)

FY2019 Proposed Enhancements

| | |
|--|-------------------|
| MOE | \$12.8 |
| Teacher Pay Package (\$21.2m Total) | 8.4 |
| Health Insurance Fund Rescue | 3.0 |
| EEE | 1.2 |
| Monarch Academy | 3.0 |
| Pre -K | 1.8 |
| 2 School Psychologists | 0.2 |
| 50 Teachers | 3.8 |
| E-Rate | <u>1.0</u> |
| | \$35.2 |

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Community College Funding

(Millions)

| | <u>Amount</u> | <u>% Total</u> |
|----------------|-------------------|--------------------|
| County | \$44.1 | 38.1% |
| State | 29.3 | 25.3% |
| Tuition | 38.4 | 33.2% |
| Other | <u>4.0</u> | <u>3.5%</u> |
| Total | \$115.8 | 100% |

Year-over -Year Increase of \$1.6 Million or 1.4%
County Funding for FY2019 Increases \$2.1 Million

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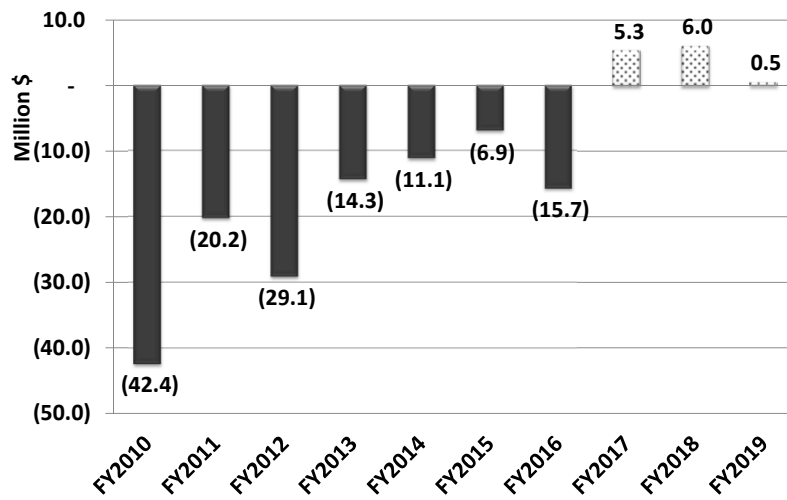
Library Funding

| | <u>Amount</u> | <u>% Total</u> |
|---------------------------------|-----------------------|--------------------|
| County | \$22,806,400 | 87.0% |
| State | 2,350,000 | 9.0% |
| Fees, Fines, Collections | 813,500 | 3.1% |
| Fund Balance | <u>233,100</u> | <u>0.9%</u> |
| Total | \$26,202,900 | 100% |

Year-over-Year Increase of \$1.9 Million, or 7.8%

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Structural (Deficit) Surplus in the Proposed Budget



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Debt Affordability Model

Fiscal Year 2019

(millions \$)

| | <u>Guidelines</u> | <u>FY19</u> | <u>FY20</u> | <u>FY21</u> | <u>FY22</u> | <u>FY23</u> | <u>FY24</u> |
|---------------------------------------|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| New Authority, Normal | | 196.0 | 210.5 | 160.4 | 176.8 | 144.7 | 69.0 |
| Not Used in Prior Years | | 0.0 | | | | | |
| New Authority, IPA's | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total New Authority Affordable | | 196.0 | 210.5 | 160.4 | 176.8 | 144.7 | 69.0 |
| Debt Service as % of Revenue | 11.5% | 9.5% | 9.9% | 10.4% | 10.9% | 10.8% | 10.6% |
| Debt as % of Full Value | 2.0% | 1.4% | 1.5% | 1.6% | 1.6% | 1.6% | 1.6% |
| Debt as % of Personal Income | 4.0% | 3.2% | 3.4% | 3.5% | 3.5% | 3.5% | 3.5% |
| Debt per Capita | \$3,000 | \$2,169 | \$2,321 | \$2,488 | \$2,556 | \$2,649 | \$2,690 |

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Affordability Analysis

(millions)

| | <u>FY2019</u> | <u>FY2020</u> | <u>FY2021</u> | <u>FY2022</u> | <u>FY2023</u> | <u>FY2024</u> |
|-------------------------------------|----------------|----------------|----------------|----------------|----------------|---------------|
| BONDS | | | | | | |
| New Bond Authority | \$163.0 | \$163.0 | \$163.0 | \$163.0 | \$163.0 | \$163.0 |
| Not Used in Prior Year | (\$19.3) | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Adjusted Affordability | \$143.7 | \$163.0 | \$163.0 | \$163.0 | \$163.0 | \$163.0 |
| Use of New Bond Authority | \$196.0 | \$210.5 | \$160.4 | \$176.8 | \$144.7 | \$69.0 |
| PAYGO | | | | | | |
| Fund Balance | \$41.3 | \$5.0 | \$5.0 | \$5.0 | \$5.0 | \$5.0 |
| Operating Revenue -One-Time | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Adjusted Affordability | \$41.3 | \$5.0 | \$5.0 | \$5.0 | \$5.0 | \$5.0 |
| Use of PayGo | \$41.3 | \$5.0 | \$5.0 | \$5.0 | \$5.0 | \$5.0 |
| Bonds & PAYGO (Combined) | | | | | | |
| Bonds & PAYGO Affordability | \$185.0 | \$168.0 | \$168.0 | \$168.0 | \$168.0 | \$168.0 |
| Use of Bonds & PAYGO | \$237.3 | \$215.5 | \$165.4 | \$181.8 | \$149.7 | \$74.0 |
| Amount Over (Under) | \$52.3 | \$47.5 | (\$2.6) | \$13.8 | (\$18.3) | (\$94.0) |
| Cumulative | \$52.3 | \$99.8 | \$97.2 | \$111.0 | \$92.6 | (\$1.3) |

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Capital Budget Highlights

\$358.5 Million

| | |
|---|-----------------|
| • Information Technology Enhancement | \$ 10.8 Million |
| • County Facility System Upgrades | \$ 7.1 Million |
| • Police Training Academy | \$ 2.7 Million |
| • Public Safety Radio System Upgrade | \$ 15.0 Million |
| • Jacobsville Fire Station | \$ 5.6 Million |
| • Police CID Facility | \$ 3.3 Million |
| • Advance Land Acquisition | \$ 28.0 Million |
| • Road Resurfacing/Reconstruction/Masonry | \$ 29.7 Million |
| • Hanover Road Corridor Improvements | \$ 4.2 Million |
| • Randazzo Athletic Fields | \$ 3.3 Million |
| • Turf Fields – Chesapeake HS & Marley MS | \$ 3.6 Million |
| • 10 Creek Dredging Proj & Dredge Placement | \$ 6.6 Million |
| • Community College Health Sciences Bldg | \$ 25.2 Million |

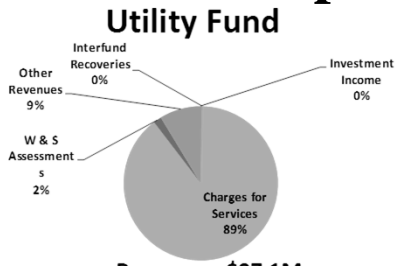
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BOE Capital Budget Highlights

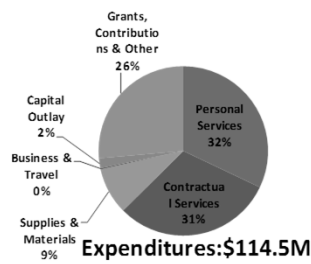
\$173.6 Million – 48.4% of Capital Budget

| | |
|----------------------------------|-----------------|
| • Crofton Area High School | \$47.4 Million |
| • High Point Elementary | \$ 4.5 Million |
| • George Cromwell Elementary | \$ 15.6 Million |
| • Manor View Elementary | \$ 3.8 Million |
| • Jessup Elementary | \$ 7.9 Million |
| • Arnold Elementary | \$ 6.7 Million |
| • All Day K and Pre K | \$ 7.5 Million |
| • Open Space Classroom Enclosure | \$ 8.0 Million |
| • Building Systems Renovation | \$ 20.0 Million |
| • Maintenance Backlog | \$ 4.0 Million |
| • Additions | \$ 8.6 Million |
| • Edgewater Elementary | \$ 4.2 Million |
| • Tyler Heights Elementary | \$ 4.4 Million |
| • Richard Henry Lee Elementary | \$ 3.4 Million |

Enterprise Funds

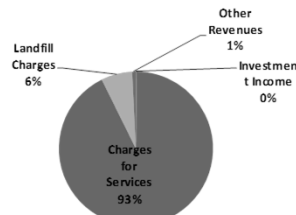


Revenues: \$97.1M

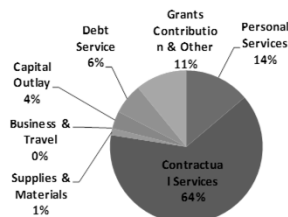


Expenditures: \$114.5M

Solid Waste Fund



Revenues: \$53.0M



Expenditures: \$56.1M

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Complete Budget Documents

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

www.aacounty.org/budget/index.cfm

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