

The FY 07 Proposed Budget In a Few Words

The Commissioners remain committed to managing growth and providing adequate facilities. This Proposed Budget demonstrates that commitment with a continued focus on directing resources to the Capital Budget to provide facilities and infrastructure in an effort to catch up with the growth that has already occurred and to keep up with growth in our future. Though rapidly rising construction costs have added to the challenge, the Commissioners Proposed Budget still makes significant progress toward the Commissioners' goals of providing adequate facilities and maintaining our quality of life.

Adequate facilities in the Adequate Facilities Ordinance include schools, roads, fire and EMS, police, and water and sewer, but in a larger sense adequate facilities are also about infrastructure and services not specifically included in the Ordinance. Recreation and park facilities and services is an example that is growing in importance in Carroll.

Directing significant funding to the Capital Budget also allows the Commissioners to retain flexibility to manage through changes in the future. We must be careful. History tells us that the bright revenue picture of recent years will change. We are seeing what might be early signs of weakening in our largest revenues. And, the State still has a structural budget deficit that is likely to be made worse by actions at the Federal level. Resolution of the State's difficulties will impact the County's budget.

This Board's first three operating budgets were, in large part, focused on education and public safety. This Proposed Budget continues those efforts while mostly maintaining service levels in other areas.

A Really Quick Guide to the FY 07 Proposed Budget

What was added for the Proposed Capital Budget?

Leister Park gymnasium	FY 07	\$0.8
Krimgold Park development	FY 07	0.3

What was added for the Proposed Operating Budget?

BOE for full-day kindergarten	\$700,000
Two Maintenance Technicians and one Electrician as part of building a new Facilities crew	280,225
Match for \$200,000 of State funding for improvements to Cockey's Tavern	200,000
Youth Services Bureau	83,420
VESA program to standardize and upgrade turn-out gear	70,642
Tourism media campaign	67,230
Polygrapher position and equipment for Sheriff	65,005
Benefits for four grant-funded Circuit Court employees	50,000
Operations of Historical Society's Shellman House, Cockey's Tavern, and Kimmey House	40,000
Administrative Assistant position for Sheriff	39,370
Granite House psychiatrists	22,750
VESA – Continuous Positive Airway Pressure (CPAP) Equipment	19,000
VESA – Advanced Life Support classes at Carroll Community College	16,600
CATS transportation tickets for seniors	10,000
Art Council	3,000
Two additional buses for Wine Festival	2,700
Historic Preservation Commission training and conferences	400
Historic Preservation Commission membership dues	210

Where is the money going in the Proposed Operating Budget?

Total New \$	\$18.7
Public Schools operating	9.1
Debt Service/Transfer to Capital	3.6
Facilities and Fleet	2.1
Health and Fringe Benefits	1.1
Sheriff/Detention Center	0.9
Public Library	0.6
VESA/EMS	0.6
Net change on everything else the County funds	0.7
Total	\$18.7

A Quick Guide to the FY 07 Proposed Budget

Department of Management and Budget

Introduction

The Commissioners offer this Proposed Budget for public consideration and comment. The combined Proposed Operating and Capital Budget books are a bit more than six hundred pages long and contain a great deal of information. This Quick Guide is intended to serve as a summary of important information and changes, as well as a tool for understanding and locating information in the budget books.

The Public Hearing on the Budget will be held in the Scott Center of Carroll Community College at 7:30PM on May 16, 2006. Budget adoption is scheduled for 10:00AM on May 30, 2006 in Room 300A of the County Office Building.

Core Messages

- Rapidly rising construction costs have made the Commissioners effort to “catch up to keep up” more difficult.
- The Commissioners built their Budget around an effort to retain as much of their aggressive Community Investment Plan (CIP) as was fiscally possible.
- The Commissioners remain cautious about on-going commitments and continue planning for the possibility that State and Federal funding decisions, weaker revenues, and rising costs will make it more difficult to provide planned services and facilities.

The Operating Budget

Revenues (19-30)

Not since the late 1980s have we experienced revenue growth comparable to the last couple of years. Recent growth and growth in the 1980s were both driven in large part by hot housing markets. Though it isn't clear what the long-term implications will be, it is clear that the housing market is cooling.

Because the Commissioners have used much of the recent revenue increases for capital projects like schools, parks, roads and agricultural preservation and because they have been cautious about committing resources to on-going services, the possibility of weakening revenues doesn't immediately jeopardize all of our plans, but it is reason to evaluate our plans and make choices to align future expenditures plans with anticipated resources.

- The FY 07 Proposed Budget grows \$18.7 million or 6.6% from the FY 06 Budget.
- There are many revenue changes, but it is only necessary to talk about a handful of changes to understand the growth in the Budget.

- Though growth in Real Property Tax is 8.83%, growth in the Operating Budget is \$25.8 million or 25.7%. The difference is because we appropriated more property tax revenue directly to the Capital Budget in FY 06 than in FY 07 as part of the Commissioners' effort to provide facilities.
- The impact of the Senior Tax Credit that the Commissioners recently approved is budgeted as a revenue loss of \$2.0 million. Our experience in the next tax cycle will help us determine how many homeowners will benefit from the credit.
- The Homestead Tax Credit causes a loss of revenue that is \$6.8 million greater than in FY 06.
- Income Tax is up \$4 million. We are watching this carefully. Growth in the last five quarterly distributions has been smaller than the previous year.
- Recordation is up \$4.1 million. We will be watching developments in the housing market for possible impact.
- Revenue from prior years (surplus) is \$9.7 million less than in FY 06.

Expenditures (39-241)

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General Fund Appropriations (39) – Summary of appropriations by major categories.

- The General Fund, commonly thought of as the Operating Budget, increases 6.59%.
- The largest percent changes are 14.43% in Culture and Recreation and 12.11% in General Government.
- Other notable increases are Public Safety and Corrections at 7.00%, Public Schools at 6.43%, Public Works at 6.21%, and Education Other, which includes Carroll Community College and the Carroll County Public Library at 6.18%.
- The largest dollar change, \$9.2 million, is for Public Schools. The \$9.2 million increase includes an increase of \$9.1 million for the Public schools operating budget and a \$0.1 million increase in debt service on school construction.

General Government Summary (43-44) – Summary of appropriations by department and bureau.

- General Government increases \$5.1 million or 12.11%.
- The Department of Economic Development increases only 3.29% because the largest part of the budget, grants to businesses for infrastructure and training, stays flat at \$3 million.
- Tourism increases 43.68% primarily due to funding for a media campaign to promote Carroll County. The Tourism budget is now fully funded by the Hotel Tax.
- Facilities increases \$1.2 million or 19.34% primarily due to rising utilities costs, the operating impact of the new North Carroll Senior Center and several significant building maintenance projects.
- Fleet Management increases \$0.9 million or 19.48% primarily due to fuel and petroleum based products, a bookmobile for the Library and a grader for Roads.
- Permits and Inspections increases \$0.1 million or 8.78% primarily due to inspectors' hours changing from 37.5 to 40 hours per week.
- Health and Fringe Benefits increases \$1.1 million or 7.30% primarily due to medical and prescription cost increases.
- Information and Technology Services increases \$0.2 or 12.71% million primarily due to a new network security analyst position and software maintenance agreements.
- Risk Management increases \$0.5 million or 29.01% primarily due to the cost of insurances and reserves against workers compensation claims.

- Board of Elections increases \$0.16 million or 26.85% primarily due to costs related to two elections and the creation of five commissioner districts.
- Commissioners increases \$0.1 million or 24.66% primarily due to costs related to the change to a five commissioner board.

Public Safety Summary (119) – Summary of appropriations by agency.

- Public Safety increases \$0.9 million or 7.09%.
- The Circuit Court decrease of 4.98% is due to the elimination of two positions made unnecessary by the installation of a new court recording system.
- The Detention Center increase of \$0.1 million or 2.08% is the net change of moving court security positions to Sheriff's Services and adding three correctional officers and an administrative assistant.
- The Sheriff increases \$0.7 million or 21.53% primarily due to the transfer of court security positions from the Detention Center and two new deputies to maintain the ratio of 1.3 officers per 1,000 residents.
- Volunteer Emergency Services Association (VESA) increases 8.69% primarily due to additional funding for rising fuel costs and the start of a program to standardize and upgrade turnout gear.

Public Works Summary (157) – Summary of appropriations by bureau.

- Public Works increases \$0.6 million or 6.21%.
- Engineering Survey decreases 13.81% primarily due to a purchase of Global Positioning System equipment in FY 06 and the change of a full-time position to part-time.
- Storm Emergencies increases \$0.2 million or 20.40% primarily due to the addition of smaller contractual trucks for subdivision snow removal and an increase in the cost of salt.

Citizen Services Summary (169) – Summary of appropriations by agency.

- Citizen Services increases \$0.4 million or 5.30%.
- The 20.72% increase in the Citizen Service Administration budget is primarily due to Homeless Management Information System (HMIS) contractual position that had been grant-funded.
- Funding for a Partnership for a Healthier Carroll County was eliminated after several years of what was intended to be short-term funding.

Public Schools Summary (199) – Summary of appropriations for the School operating budget and debt service on school construction.

- The School operating appropriation increases \$9.1 million or 6.77%. This includes planned growth of 5.5% plus an additional \$1.7 million for Full-Day Kindergarten.

Education Other Summary (205) – Summary of appropriations to the Community College, Library and Cable Regulatory Commission/Community Media Center.

- Education Other increases \$0.8 million or 6.18%.
- The Library increases \$0.6 million or 9.03% primarily due to partially funding the opening day book collection of the new Finksburg branch.

Culture and Recreation Summary (211) – Summary of appropriations by agency.

- Culture and Recreation increases \$0.3 million or 14.15%.
- The Historical Society of Carroll County increases \$240,000 or 1,200% due to a one-time \$200,000 match of State funding for improvements to Cockey's Tavern and \$40,000 for operation of the Historical Society campus.

Conservation and Natural Resources Summary (229) – Summary of appropriations by agency.

Debt, Transfers and Reserves Summary (237) – Summary of appropriations to Debt Service, Intergovernmental Transfers, Interfund Transfers and the Reserve for Contingencies.

- Debt Service increases \$2.8 million or 16.48% due to planned bonding for capital projects in FY 07.
- Intergovernmental Transfers decreases \$82,280 or (3.30%) due to a one-time expenditure in FY 06.
- Interfund Transfers decreases \$3.8 million or (26.87%) primarily due to a one-time transfer to the Pension Fund in FY 06.

Solid Waste Enterprise Fund (247) – Summary of appropriations.

- Solid Waste Enterprise Fund increases \$0.8 million or 9.11% primarily because of the replacement of some heavy equipment and increased costs for leachate monitoring and disposal.

Water and Sewer Enterprise Fund (257) – Summary of appropriations.

- Water and Sewer Enterprise Fund increases \$0.5 million or 6.27% primarily due to replacing aging pumps/valves/controls, the increased price of water from the City of Baltimore, and increased payments to Maryland Environmental Services (MES) to operate the Freedom Wastewater Treatment Plant.

Other Enterprise Funds Summary (267) – Summary of appropriations by enterprise fund.

- The Airport Enterprise Fund increases \$0.5 million or 28.94% primarily due to the increased cost of fuel sales. Increased revenues for fuel sales offset the increase.
- The Firearms Enterprise Fund increases 6.38% primarily due to an increase in revenue along with an offsetting increase in supplies to repair baffles (for sound reduction).

Grant Fund Summary (273) – Summary of anticipated grant funding.

Pension Trust Fund (317)

- The Pension Trust Fund decreases \$4.9 million due to a one-time transfer to the fund in FY 06 to bring it closer to fully funded status.

Special Revenue Fund (318)

- Hotel Tax fully funds the Tourism budget.
- Impact Fees increase \$1.2 million primarily due to funding for the Northern Area High School.