

# A Really Quick Guide to the FY 08 Proposed Budget

## What was removed from the Recommended Operating Budget?

Public Schools- Operating	FY 08	\$3,600,000
Other Post Employment Benefit Fund	FY 08	3,000,000

## What was added for the Proposed Operating Budget?

Replacement of two vehicles for Sheriff's Services	64,000
Utilities Engineer position-Enterprise Fund	63,200
Rape Crisis telephone system	\$10,000
Historic Preservation Commission	600

## Where is the money going in the Proposed Operating Budget?

Total New \$	\$22.6
Public Schools Operating Budget	6.0
Reserve For Contingency	4.7
Other Post Employment Benefits	3.0
Debt Service	2.4
Health and Fringe Benefits	1.4
Drug Treatment Facility	0.8
VESA/ EMS 24/7 including Phase V	0.7
Roads and Storm Emergencies	0.6
Carroll Community College	0.5
Library	0.4
Detention Center	0.4
Sheriff	0.3
Resident Trooper Program	0.3
Net Change in Everything Else	1.1

# **A Quick Guide to the FY 08 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 2, 2007. Budget adoption is scheduled for 10:00AM on May 22, 2006 in Room 300A of the County Office Building.

### **Core Messages**

- Revenues, outside of property tax, have weakened.
- Rapidly rising costs have made the effort to “catch up to keep up” more difficult, but the focus remains on making the most of the resources that are available.
- The Commissioners need to remain cautious about taking on on-going commitments and to continue planning for the possibility that things will get more difficult.

### **The Operating Budget**

#### **Revenues (19-31)**

The strong revenue growth of recent years is coming to an end. Real Property tax continues to post strong gains, largely due to assessments catching-up to market prices. Income Tax and Recordation, which along with Real Property Tax account for nearly 80% of all revenues, are both projected to fall below the FY 07 budget.

- The FY 08 Proposed Budget grows \$25.7 million or 8.5% from the FY 07 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 Operating Real Property Tax is approximately 20%, property tax in both the Operating and Capital Budgets is growing at 11%. This difference is due to a reduction of \$6.7 million dedicated to the CIP in FY 08 from FY 07.
- The Homestead Tax Credit, which is included in Operating Real Property Tax, increased by \$11.2 million over FY 07.
- Income Tax is down by \$2 million, FY 07 to FY 08. Changes in how the State estimates local income tax distributions caused an unexpected shortfall in FY 07 that could

continue into FY 08 and beyond. Not knowing if our experience in FY 07 is a one-time change or the start of a new trend of lower distributions, we are watching this carefully.

- Recordation is down \$1.6 million. The number of home sales dropped to pre-housing boom levels, but prices have merely flattened out. We will be watching developments in the housing market to see if the worst has passed.
- Building Permits are down \$0.5 million. A changing housing market and the imposition of new water regulations from the Maryland Department of the Environment have slowed new housing construction.
- The change in the prior year surplus is an increase of \$0.6 million.

**Expenditures (39-243)**

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**General Fund Appropriations (41)** – Summary of appropriations by major categories.

- The largest percent change, 22.80%, is in Debt, Transfers and Reserves primarily due a planned carry over of \$5.0M to FY 10 and the transfer to OPEB.
- Other notable increases are for Citizens Services at 13.15% primarily due to the Long Term Treatment Facility, Education Other, which includes Carroll Community College and the Carroll County Public Library at 7.45% and Public Safety and Corrections at 7.49%.

**General Government Summary (45-46)** – Summary of appropriations by department and bureau.

- General Government increases \$2.3 million or 4.91%.
- Board of Elections decreases \$0.2 million or (24.22%) due to only one election occurring in FY 08, down from two in FY 07.
- Facilities increase \$0.1 million or 1.60% primarily due to the operating impact of the new Drug Treatment Facility and 6% increase in electricity.
- Fleet Management increases \$0.3 million or 6.1% primarily due to fuel costs for Westminster City Police (offset by revenue) and a new paint truck.
- Health and Fringe Benefits increases \$1.4 million or 8.65% primarily due to medical and prescription cost increases.
- Information and Technology Services increases \$0.5 million or 20.08% primarily due to the addition of operating expenses relating to CC Public Network, new software maintenance agreements and a new network security analyst position.

**Public Safety and Corrections Summary (121)** – Summary of appropriations by agency.

- Public Safety and Corrections increases \$2.3 million or 7.49%.
- The Circuit Court increases \$0.1 million or 8.52% primarily due to the addition of a staff attorney.
- The Detention Center increases \$0.4 million or 6.60% primarily due to the addition of two correctional officer positions.
- The Sheriff increases \$0.3 million or 7.63% primarily due to the addition of a Crime Scene technician and three new deputies to maintain the ratio of 1.3 officers per 1,000 residents
- EMS 24/7 increases \$0.4 million or 11.55% which includes Phase V. With the implementation of phase V, Lineboro, Pleasant Valley, and New Windsor will expand from 12/7 coverage to 24/7 coverage. Thirteen companies will then provide emergency medical services 24/7.
- VESA increases \$0.3 million or 5.40%.

**Public Works Summary (159)** – Summary of appropriations by bureau.

- Public Works increases \$0.6 million or 6.37%.
- Roads Operations increases \$0.5 million or 7.09% primarily due to contractual mowing, the addition of a Road Equipment Operator position, and increased paving and patching costs.

**Citizen Services Summary (171)** – Summary of appropriations by agency.

- Citizen Services increases \$.9 million or 13.15% primarily due to addition of Drug Treatment Facility.
- Aging increases \$0.1 million or 11.55% primarily due to the addition of four custodian positions for the Westminster and North Carroll Senior and Community Centers.

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

- The School operating appropriation increases \$6.0 million or 4.22%. This includes an additional \$1.7 million for Full Day Kindergarten.
- The School Debt Service increases \$1.2 million or 13.17% due to anticipated new debt service resulting from construction of the new Northern Area High School.

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

- The Community College increases \$0.5 million or 8.43% to maintain one-third of total costs.
- The Library increases \$0.4 million or 5.22%.

**Debt, Transfers and Reserves Summary (239)** – Summary of appropriations to Debt Service, Intergovernmental Transfers, Interfund Transfers and the Reserve for Contingencies.

- Debt Service increases \$1.1 million or 5.57% due to planned bonding for capital projects in FY 08.
- Interfund Transfers increases \$2.6 million or 25.38% primarily due to a new on-going transfer to OPEB
- Reserve for Contingency increases \$4.7 million or 105.94% primarily due to a planned carry over of \$5.0M to FY 10.

**Solid Waste Enterprise Fund (249)** – Summary of appropriations

- Solid Waste Enterprise Fund increases \$0.3 million or 2.85% is primarily due to an increase in the leachate removal expense with the opening of cell 3.

**Water and Sewer Enterprise Fund (259)** – Summary of appropriations

- Water and Sewer Enterprise Fund increases \$1.1 million or 14.63% primarily due to an increase in estimated revenues, an increase in depreciation, the increased price of water from the City of Baltimore (beginning in April 2007 for three consecutive years water purchases will increase 9% per year), and increased contract payments to Maryland Environmental Services (MES) to operate the Freedom Wastewater Treatment Plant.

**Other Enterprise Funds Summary (269)** – Summary of appropriations by enterprise fund.

- The Firearms Enterprise Fund decreases 37.50% primarily due to the fire at the facility.
- Septage Enterprise Fund increases \$0.4 million or 85.06% primarily due to additional six million gallons of leachate being processed from Northern Landfill Cell #3.

**Grant Fund Summary (275)** – Summary of anticipated grant funding.

- Overall, every 8.6¢ of County match/contribution brings in \$1 of grant funding.

**OPEB Fund Summary (321)** – Summary of appropriations

- First year to set aside assets to meet future liability under new GASB guidelines.

**Pension Trust Fund (322)**

- The Pension Trust Fund decreases \$0.3 million or (17.52%) based on actuarial report.

**Special Revenue Fund (323)**

- Cable Franchise Fee revenue moves from the General Fund to the Special Revenue Fund and is used to fund the Cable Regulatory Commission, the Community Media Center, the Office of TV Production and a portion of TV production functions with the school system and the community college.
- Hotel Rental Tax fully funds the Tourism budget.
- Impact Fees increase \$6.7 million primarily due to funding for the Northern Area High School.