

FY 09 Recommended Budget

Presentation to the Commissioners
April 2008

Core Messages

- ❑ We began this process with slim margins in our Operating Plan and little flexibility.
 - ❑ Changes at the State squeezed that flexibility.
 - ❑ Changes in the economy and costs add even more pressure.
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Op Plan Balances

Adopted	FY 09	FY 10	FY 11	FY 12	FY 13
Balance	\$8.0	\$6.8	\$5.3	\$9.5	\$7.9
% of Budget	2.3%	1.8%	1.3%	2.2%	1.7%

Recom.	FY 09	FY 10	FY 11	FY 12	FY 13
Balance	\$6.2	\$4.4	\$2.0	\$2.1	\$1.6
% of Budget	1.7%	1.2%	0.5%	0.5%	0.3%

Changes at the State

- ❑ State revenue estimates down \$75M in FY 08 and \$258M in FY 09 since the Special Session in November.
 - ❑ \$50M/year for 5 years from Transportation Fund
 - ❑ \$50M of unidentified cuts
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Changes at the State

- Special Session losses
 - \$4.9M Schools
 - \$2.7M Income tax
 - \$0.4M HUR
 - \$0.4M POS
 - \$0.3M Community College
 - \$0.4M Health Department (Shoemaker House)
 - \$75,000 Library
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Other Changes

- Recession?
 - Fed rate has dropped from 5.25% to 2.25% since September.
 - Have we found the bottom of the housing market?
 - Have we found the bottom on recordation?
 - Rising costs
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Revenues

FY 08 Revenue Summary

- ❑ Property tax – a little better than expected
 - ❑ Income tax – we should get what we expected, but not how we expected to get it
 - ❑ Recordation – much less than expected
 - ❑ Interest – unexpected rate cuts lead to falling revenue
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FY 08 - Forecast to Budget

Total Change	(\$0.3)
Property Tax	3.9
Income Tax	0.0
Recordation Tax	(5.5)
Highway Users	(0.7)
Investment Interest	(0.9)
BOE	2.8
Other	0.1

FY 08 Forecast

- FY 08 Budget: \$328.4M
 - FY 08 Forecast: \$328.1M
 - FY 08 Revenue Deficit: **\$0.3M**
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- FY 08 Annual Revenue Budget: \$304.4M
 - FY 08 Annual Revenue Forecast: \$301.4M
 - FY 08 Annual Revenue Deficit: **\$3.0M**
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FY 09 Summary

- Property tax
 - The strongest revenue
 - Return of CIP revenue makes it look better than it is
 - Income tax
 - Uncertainty about growth
 - Loss because of the State change in personal exemptions
 - Recordation
 - Will we find the bottom in FY 08 or FY 09?
 - Interest
 - Rates aren't going to zero
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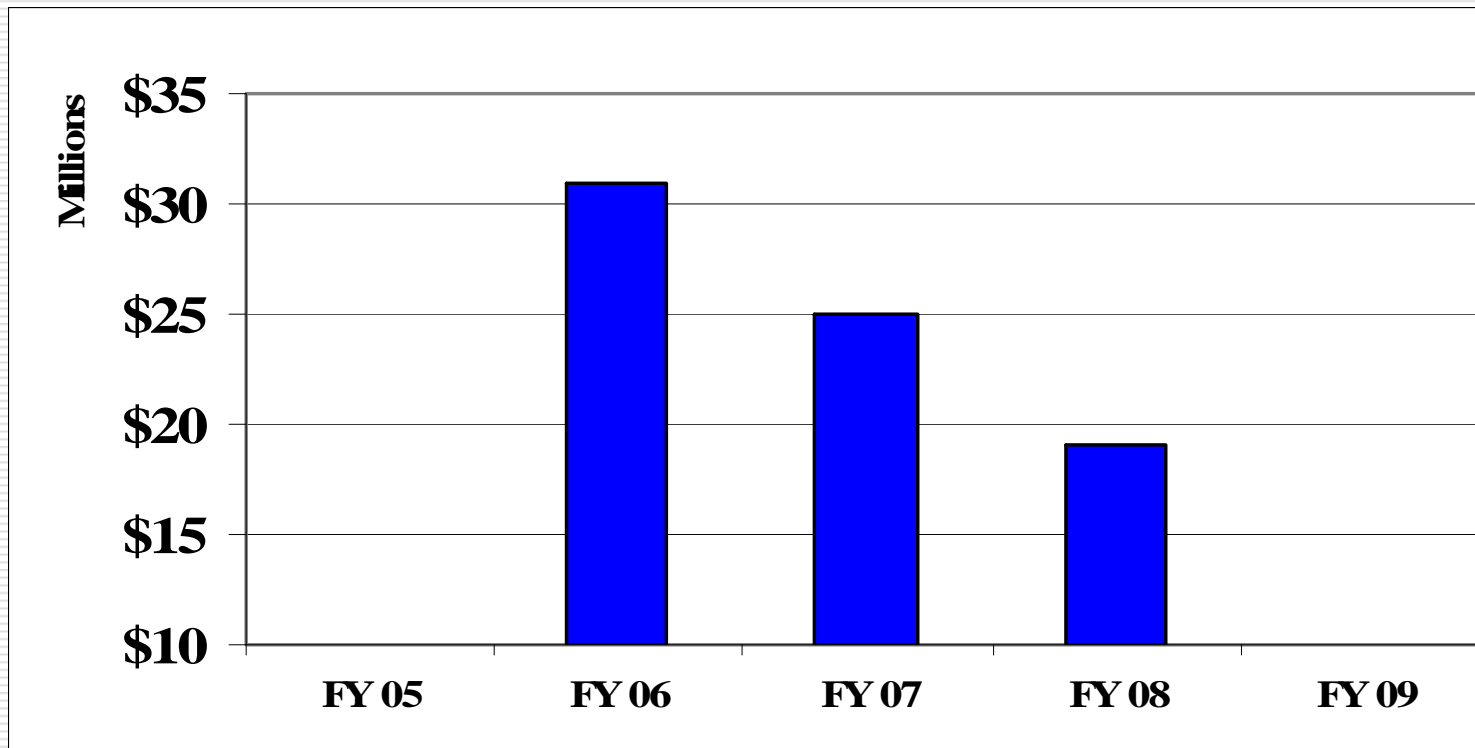
FY 09 Compared to FY 08

Total Growth	\$24.6	7.5%
Property Tax	31.7	21.3%
Income Tax	4.0	3.9%
Recordation	(5.5)	(26.8%)
Interest	(2.8)	(35.9%)
Surplus	(2.2)	(16.5%)
HUR	(1.0)	(8.3%)
Other	0.4	2.2%

FY 09 Growth

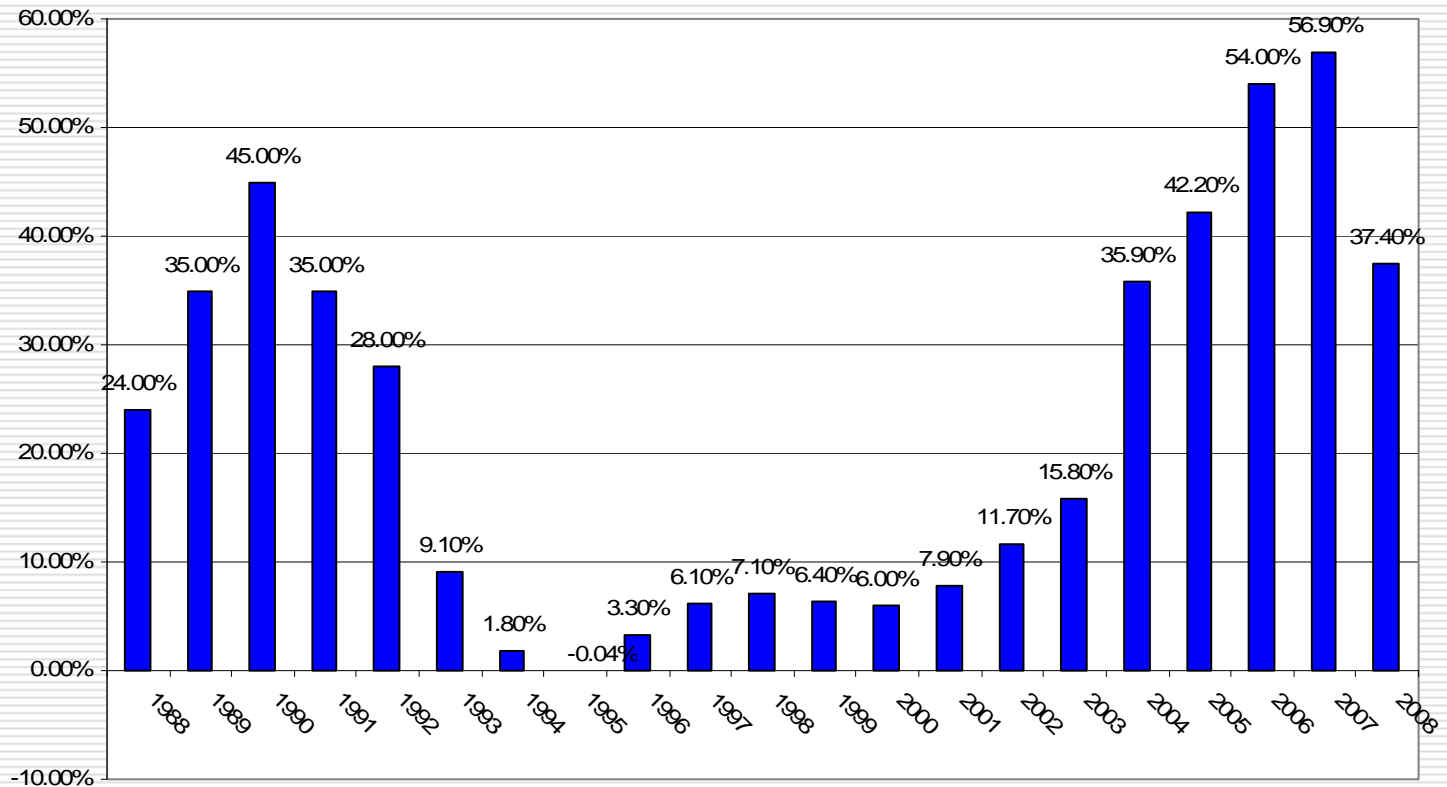
- The FY 09 Budget grows by \$24.6 million or 7.5% from the FY 08 Budget.
 - Without the \$19M property tax being returned from the CIP the FY 09 Budget would grow by only \$5.6 million or 1.6%.
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Additional Property Tax Diverted to the CIP

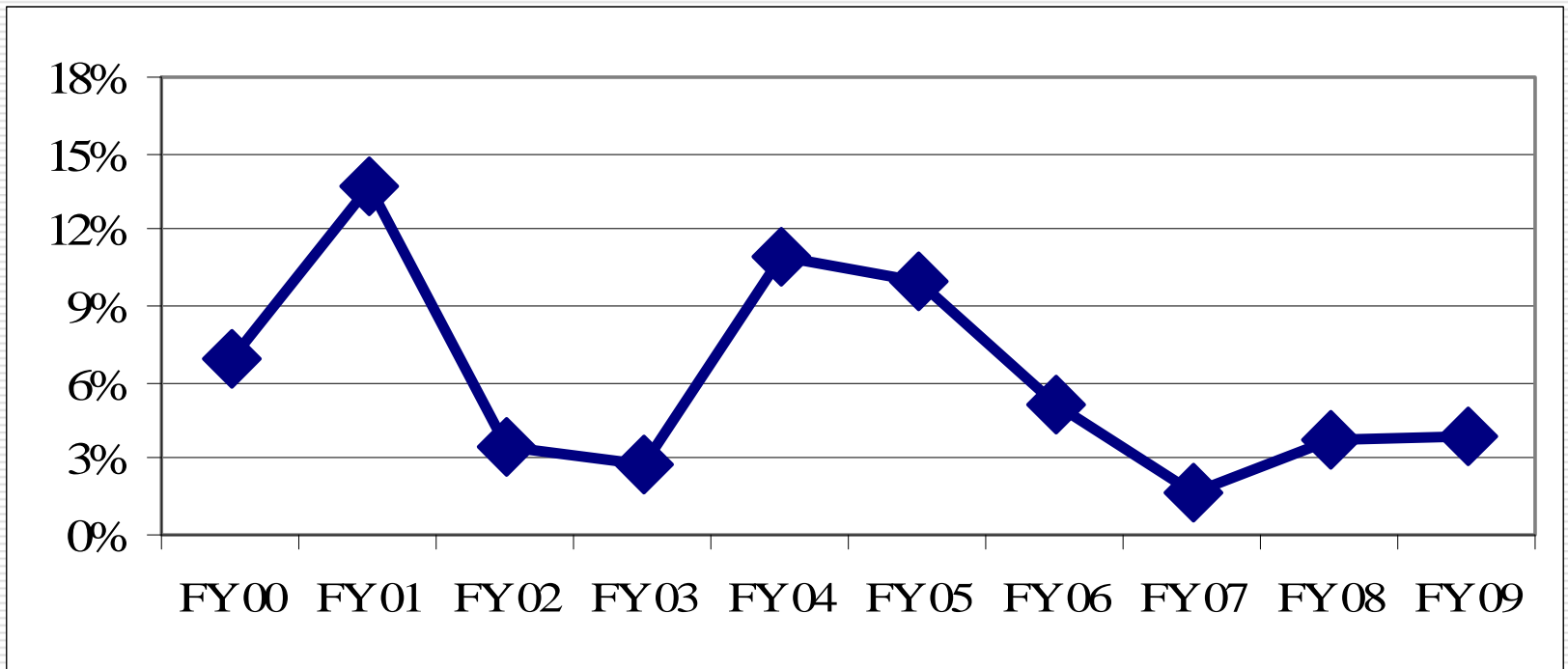


A Little Revenue History

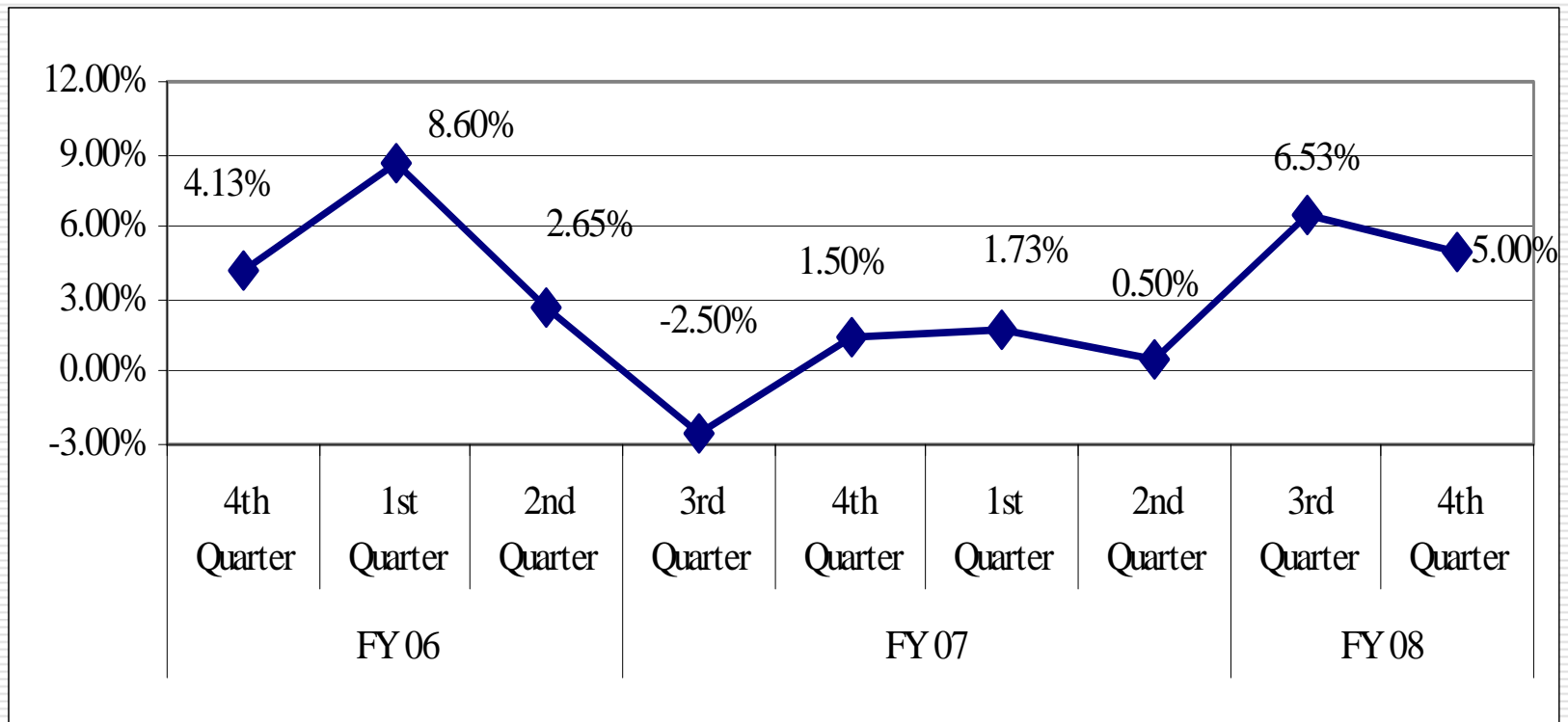
Carroll County Assessments



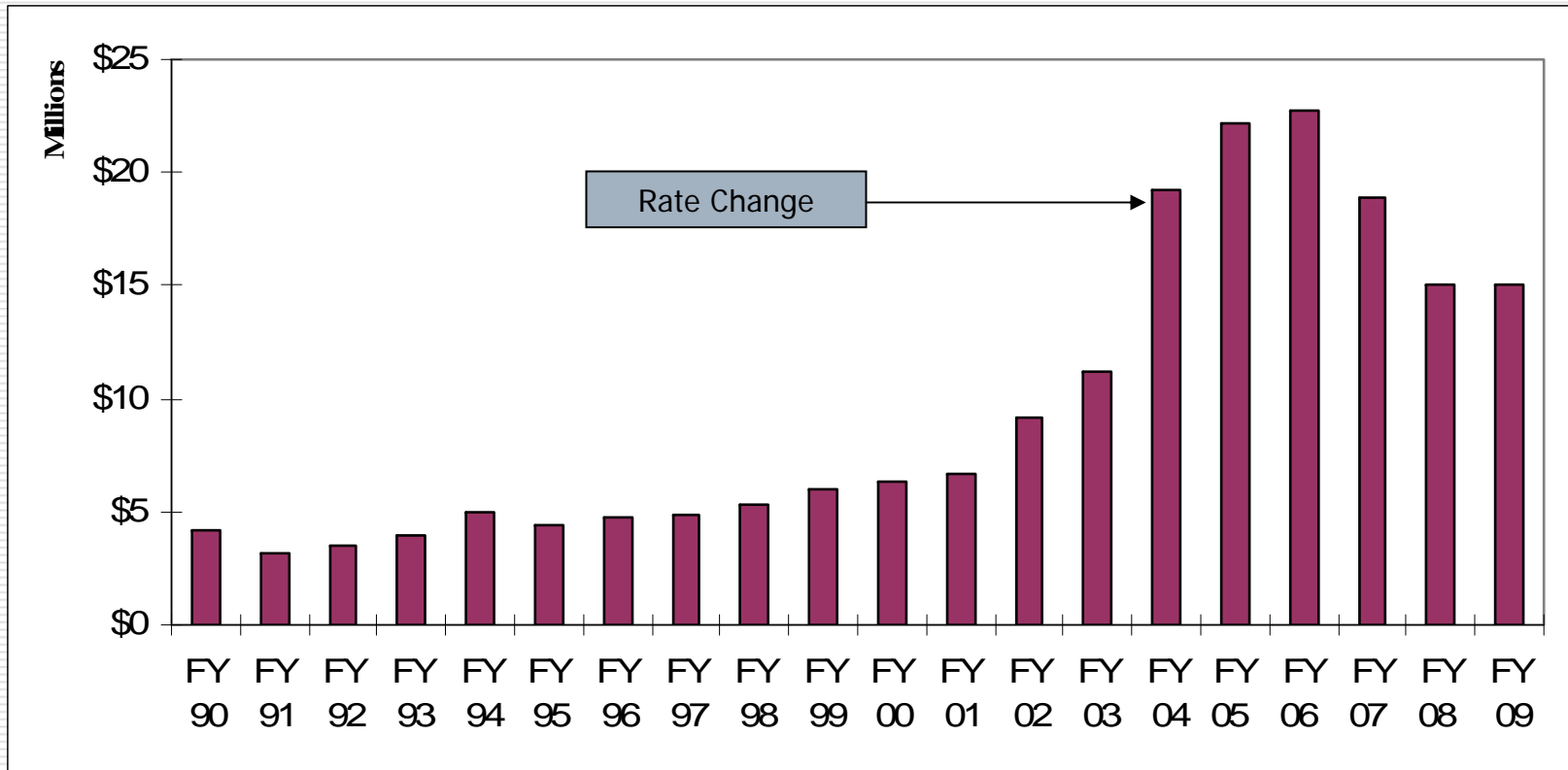
Income Tax Growth



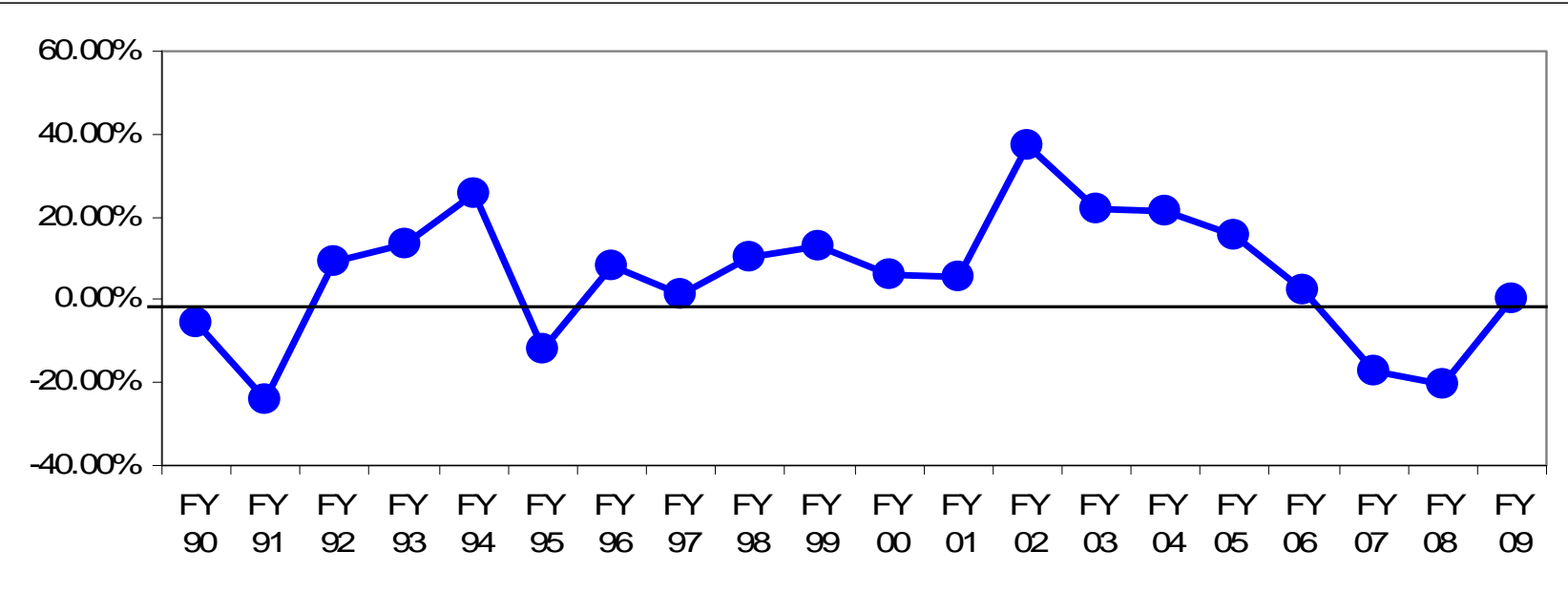
Income Tax Quarterly Distributions



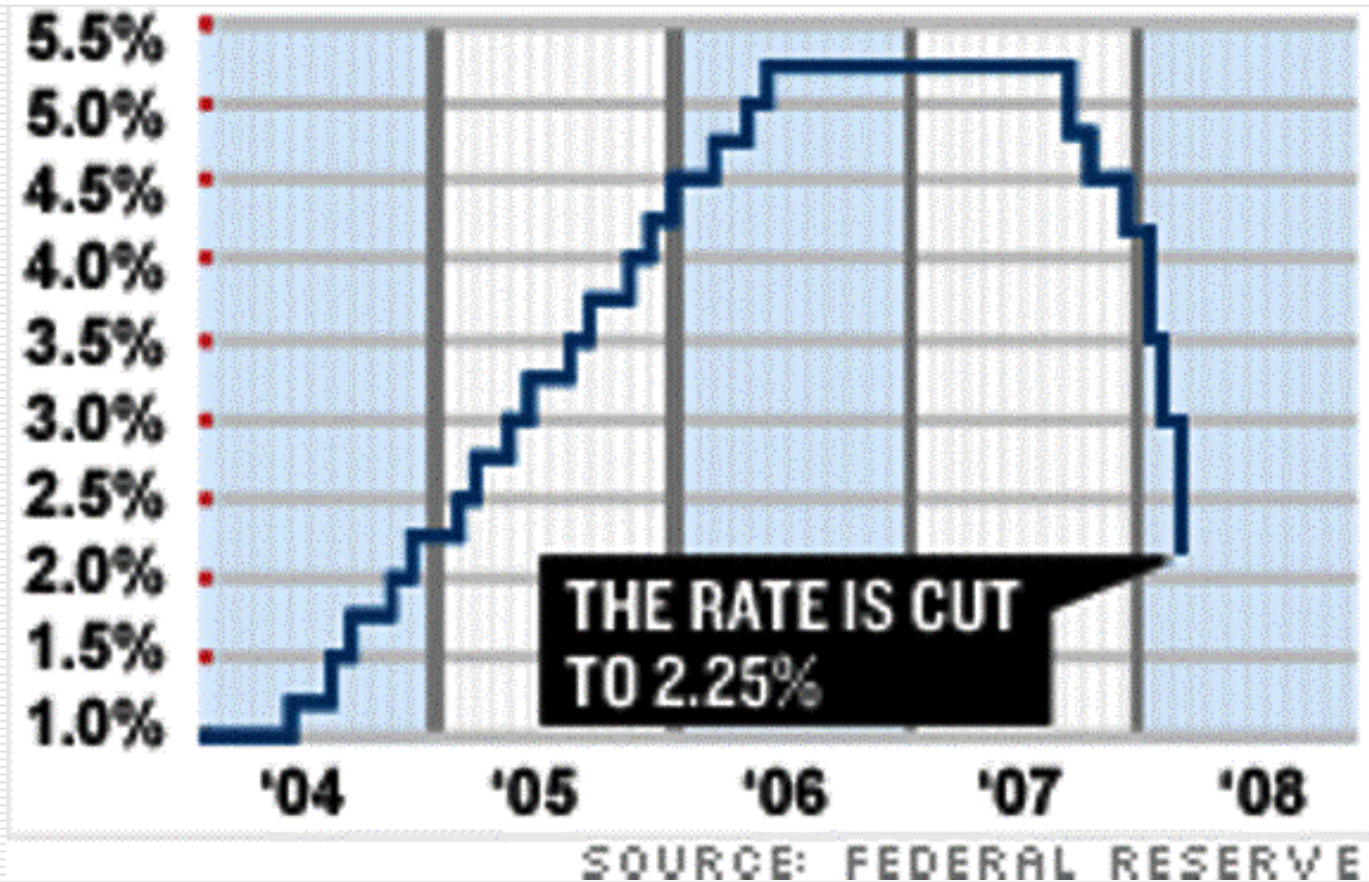
Recordation Growth (\$)



Recordation Growth (%)



Interest Rates



FY 09 Operating Budget

Where is the Money Going?

Total New \$	\$24.6
CCPS	10.8
Debt Service	2.6
Fleet Management	1.7
CCPS OPEB	1.5
Health Costs	1.5
Unallocated in the Rec. Budget	6.2

FY 09 Operating – Schools

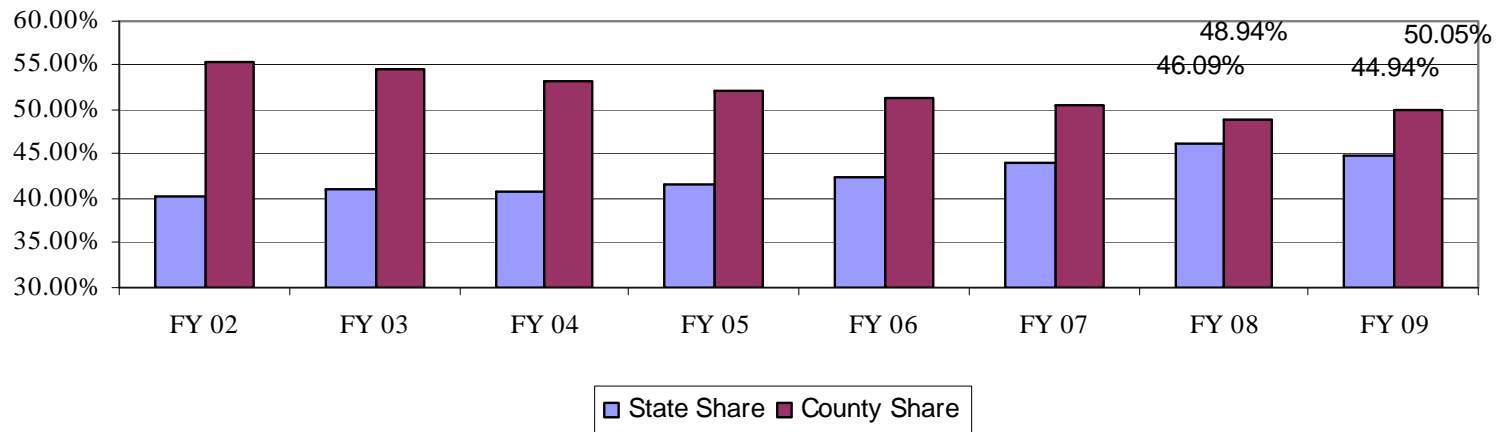
- ❑ \$160.0M for a \$10.8M or 7.2% increase
 - ❑ 5.5% base increase
 - ❑ \$1.5M (on-going) Ebb Valley ES
 - ❑ \$0.8M (one-time) Ebb Valley ES
 - ❑ \$0.3M (on-going) Manchester Valley HS
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Declining Federal Role

FY 2004	\$12.1M	5.4%
FY 2005	13.8M	5.7%
FY 2006	14.0M	5.3%
FY 2007	12.8M	4.5%
FY 2008	12.6M	4.1%
FY 2009	12.9M	4.0%

The Retreat of Thornton

State and Local Share of the School's Budget



FY 09 Operating – Schools

□ Debt service

- \$10.3M for a decrease of \$0.4M or 3.9%.
- Lower than planned increase because of actual FY 08 bond issue.

□ OPEB

- \$1.5M from FY 07 surplus.
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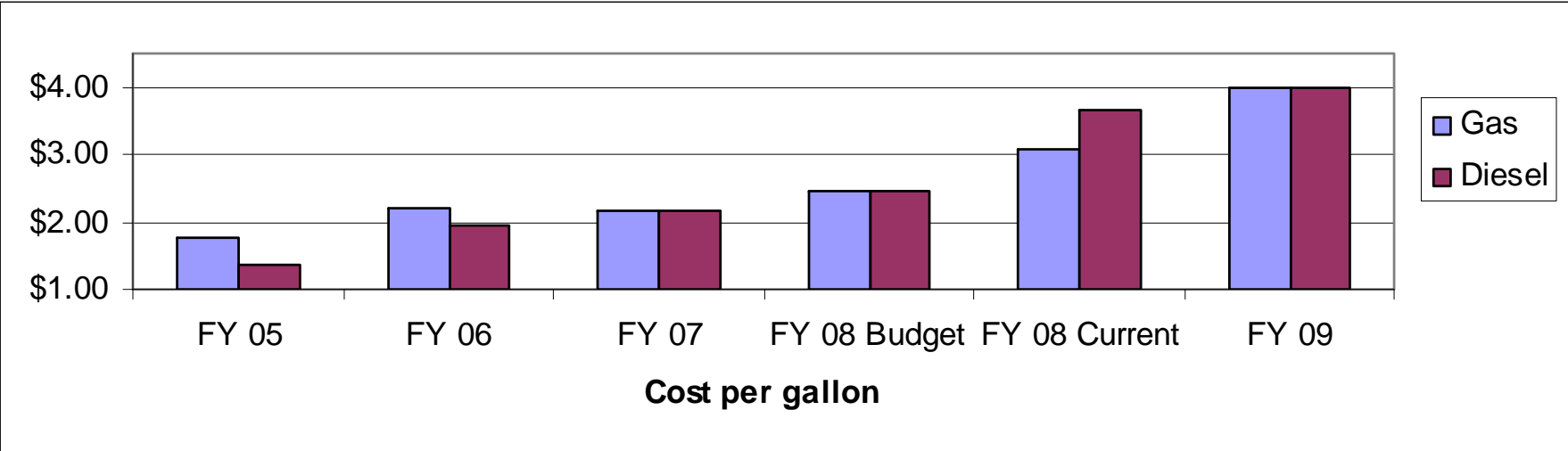
FY 09 Operating – Debt Service

- ❑ \$23.7M an increase of \$2.6M or 12.1%
 - ❑ Based on FY 09 bond sale of \$70M
 - ❑ Increase in Installment Purchase Agreements for agricultural land preservation
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FY 09 Operating – Fleet Mgmt.

- ❑ \$7.1M an increase of \$1.7M or 10.9%
 - ❑ \$1.3 million of increase due to rising fuel costs
 - ❑ Approximately 43% of fuel budget recovered
 - ❑ Every \$0.10 rise in fuel prices changes costs by \$65,000.
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Fuel cost increases



FY 09 Operating – Health Costs

- ❑ \$18.7M an increase of \$1.5M or 8.5%
 - ❑ Projected 10% increase in cost per claim
 - ❑ Project 30 new enrollments
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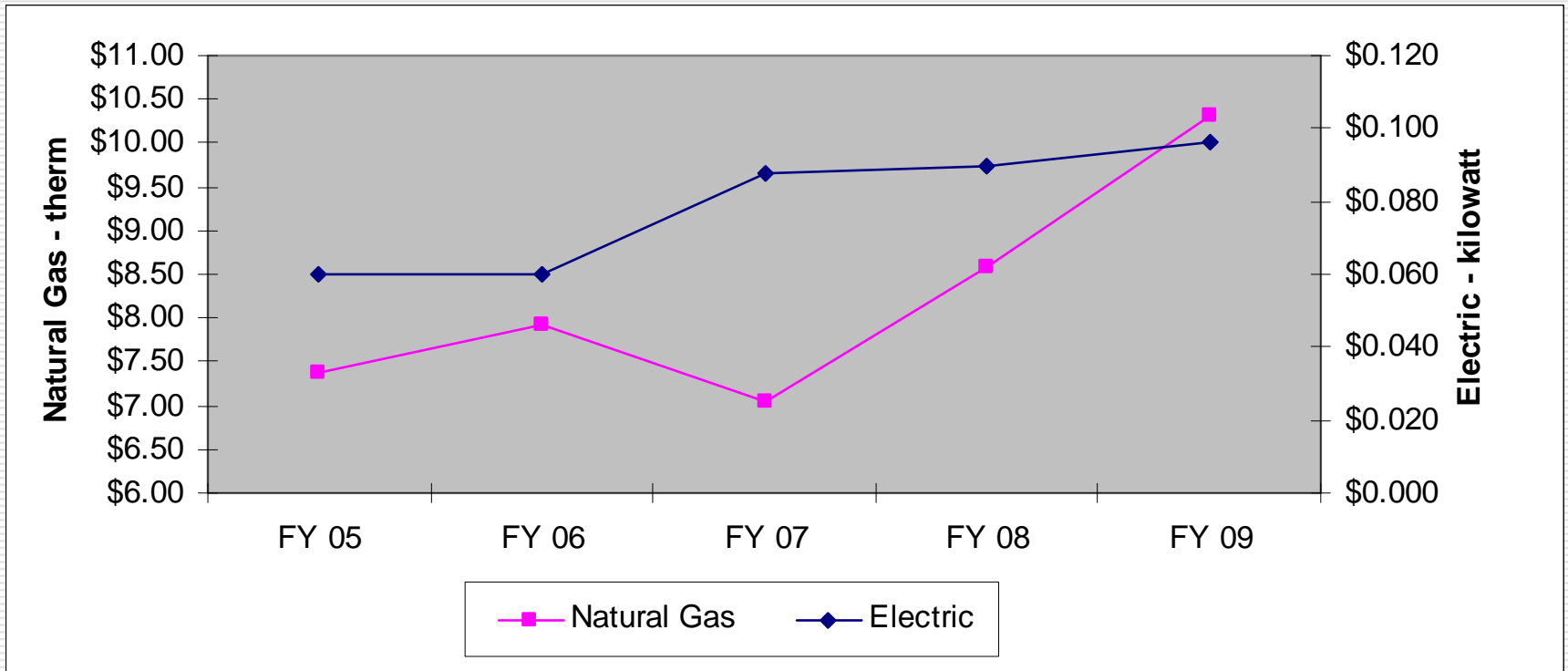
FY 09 Operating – Econ. Dev. Infrastructure & Grants

- ❑ \$4.0M an increase of \$1.0M or 33.3%
 - ❑ \$4.0M also included for FY 10
 - ❑ Two major business developments in FY 09 and FY 10
 - ❑ The additional \$2M will be funded by unused FY 08 budget
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FY 09 Operating - Facilities

- ❑ \$8.3M an increase of \$0.8M or 10.9%
 - ❑ Four new buildings to maintain
 - ❑ Projected 7.5% increase in the cost of electricity
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Natural gas & Electric costs



FY 09 Operating - CCPL

- ❑ \$7.7M an increase of \$0.6M or 8.0%
 - ❑ \$0.7M operating impact of the new Finksburg branch
 - ❑ \$0.1M operating impact of the Taneytown Branch expansion
 - ❑ One-time \$0.3M in the FY 08 Budget.
 - ❑ Moving the HQ from rented space will save \$0.2M/year.
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FY 09 Operating – Carroll Community College

- ❑ \$6.6M an increase of \$0.6M or 7.6%
 - ❑ County funding is 31.8% of the total College budget
 - ❑ State revenue increase 9.3% (it looks like they are going to lose approximately \$250,000 now)
 - ❑ Tuition revenue increase 13.0%
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FY09 Operating – Sheriff

- \$5.1M an increase of \$0.5M or 10.6%
 - 3 new positions are recommended in connection with constitutional duties
 - Court security (2)
 - Warrants (1)
 - 3 planned growth positions are included under Law Enforcement
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FY 09 Operating – OPEB

- \$3.5M an increase of \$0.5M or 14.3%
 - 2nd year of plan to implement GASB 45
 - We are in the process of creating a trust fund
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Operating FY 09 – Resident Trooper Program

- \$5.6M an increase of \$0.4M or 7.7%
 - Approximately 1/3 of the increase is because the indirect cost increased from 19% to 22% for FY 08, but after the Budget was adopted.
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FY 09 Operating – Long-Term Care Facility

- ❑ \$1.1M an increase of \$0.4M or 50.1%
 - ❑ Scheduled to open this month
 - ❑ State funding of some beds could reduce the need for County funding
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FY 09 Operating – VESA

- \$6.2M an increase of \$0.3M or 5.0%
 - An additional \$3.6M is budgeted in EMS 24/7
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FY 09 Operating – Health Dept.

- \$3.4M an increase of \$0.3M or 10.2%
 - In FY 08, the State picked up some costs, one-time, that we would have funded.
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FY 09 Operating – Elections

- ❑ \$0.7M an increase of \$150,000 or 25.8%
 - ❑ Payments on the current voting system continue FY 14
 - ❑ Payments on the new voting system begin in FY 09
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FY 09 Operating – State's Attorney

- \$2.1M an increase of \$145,000 or 7.4%
 - Recommendation includes a fugitive/extradition position.
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FY 09 Operating – Circuit Court Masters

- Recommendation includes 1 judicial assistant and 1 legal assistant for the State-funded masters
 - 6.5 FTE have been added since FY 07
 - 2.5 State funded
 - 4.0 County funded
 - Added approximately \$30,000 over two years for additional bailiff hours.
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FY 09 Commissioner Positions

- ❑ Aging (2) – Building Operations Technicians for South Carroll Senior Center
 - ❑ Fleet (1) – Mechanic I
 - ❑ DTS (1) – GIS Database Specialist
 - ❑ Recreation and Parks (1) – Recreation Supervisor for South Carroll Senior Center
 - ❑ Law Enforcement (3) – Three officers to accommodate growth
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FY 09 Enterprise Fund Positions

- Solid Waste (1) – Recycling Manager
 - Utilities (3)
 - (1) Maintenance Mechanic
 - (2) Water Treatment Plant Operators
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FY 09 College and Library Positions

- CCC (11)
 - 4 teaching
 - 7 non-teaching
 - Library (14)
 - 13 Finksburg
 - 1 Taneytown
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FY 09 CCPS Positions (Request)

BOE (131)

- 28 Ebb Valley ES
- 4 MVHS
- 7 School-Based Accountants
- 31 Academic Interventions
- 61 others

They won't be able to fund all of these positions.

The Operating Plan

FY 09-14

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Op Plan FY 10-14 – Positions

- Law enforcement growth (15)
 - Minimum security facility (12)
 - SAO/ Victim Witness (1)
 - Facilities (6)
 - Aging (Mt. Airy and Taneytown Senior Centers) (4)
 - Fleet (2)
 - County Commissioners (2)
 - County Commissioner Assistants (2)
 - DTS (1)
 - County Attorney (1)
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Op Plan – Operating Impacts

- Schools
 - Ebb Valley ES - \$1.5M (+\$0.2M prior)
 - Manchester Valley HS - \$4.4M
 - South Carroll MS - \$3.7M
 - South Carroll ES - \$0.3M
 - Community College Classroom Building #4 - \$0.4M
 - Finksburg Branch - \$0.9M
 - CCPN - \$0.2M (+\$0.2M prior)
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FY 09 Capital Budget

FY 09 Capital – General Govt.

- ❑ CCPN \$1.5M
 - ❑ Government Office Building - \$4.5M
 - ❑ Minimum Security Facility - \$6.8M
 - ❑ Govt Campus Parking Garage - \$8.0M
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FY 09 Capital – Recreation

- ❑ \$1.0M total funding
 - ❑ \$425,000 for Leister and Krimgold Parks
 - ❑ Piney Run Tennis Court Resurfacing
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FY 09 Capital – Public Works

- ❑ Englar Road Roundabout - \$0.9M (\$1.0M total)
 - ❑ Low Volume Roads - \$1.1M
 - ❑ Neighborhood Overlays - \$1.7M
 - ❑ Overlays - \$4.9M
 - ❑ Market Street Extended - \$0.4M (\$1.3M total)
 - ❑ Ridge Road Improvements - \$0.3M (\$2.6M total)
 - ❑ Falls Road \$0.1M (\$0.8M total)
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FY 09 Capital – Schools

- ❑ Manchester Valley HS - \$11.0M
(\$79.1M total)
 - ❑ South Carroll HS Fine Arts - \$27.7M
(\$30.0M total)
 - ❑ Westminster HS HVAC - \$24.9M
(\$26.5M total)
 - ❑ Mt. Airy ES Roof - \$1.0M
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FY 09 Capital – Water

- ❑ Hyde's Quarry - \$1.3M
 - ❑ Patapsco Watershed - \$1.6M (\$3.3M total)
 - ❑ Stormwater Ponds - \$0.5M
 - ❑ Water Development - \$9.2M
 - ❑ NPDES \$0.7M
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FY 09 Capital – Enterprise Funds

- ❑ Corporate Hangars - \$8.0M
 - ❑ Northern Landfill Entrance - \$0.7M (\$3.1M total)
 - ❑ Carroll Highlands Pumping Station Renovation - \$0.2M (\$0.4M total)
 - ❑ Hampstead WWTP Sludge Tank Renovation - \$0.7M (\$0.8M total)
 - ❑ Snowden's Run Pumping Station Rehabilitation - \$0.2M (\$0.6M total)
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FY 09-14 CIP

- ❑ 800 MHz and 911 - \$28.9M
 - ❑ Pleasant Valley Road Relocation - \$1.8M
 - ❑ Westminster Area Roads - \$8.0M
 - ❑ Babylon Road Bridge over Silver Run - \$0.9M
 - ❑ Hughes Shop Road Bridge over Bear Branch - \$1.5M
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FY 09-14 CIP

- ❑ FDK – alternating years of design and construction funding
 - ❑ South Carroll MS - \$54.6M
 - ❑ South Carroll ES - \$31.1M
 - ❑ Ag Pres – grows from \$8.0M to \$10.5M
 - ❑ Runway Extension - \$74.1M
 - ❑ Siting of Landfill [not including the cost of land] - \$1.4M
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FY 09-14 CIP What's Not In?

- Career & Tech modernization or replacement
 - South Carroll HS modernization
 - Mt. Airy MS modernization
 - East MS modernization
 - West MS modernization
 - Eldersburg ES modernization
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FY 09-14 CIP What's Not In?

- Human services complex
 - Community walking trails
 - Back-up data center
 - Maintenance Center expansion
 - Dog Park
 - Taneytown Senior Center expansion
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FY 09-14 CIP Underfunded

- Road maintenance
 - Parking lot maintenance
 - Systemic system maintenance
 - Park maintenance
 - Technology replacement
 - Ag Pres
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Tax Reduction Options

- Property tax rate per penny
 - \$1.7M in FY 09 - \$2.4M in FY 14
 - Homestead tax credit
 - 106%: \$1.2M in FY 09 - \$10.0M in FY 14
 - 105%: \$2.3M in FY 09 - \$20.2M in FY 14
 - Senior tax credit
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Rest of the Process

- Agency Hearings - April 14
 - Proposed Budget Session - April 16, 18, 21 and 22
 - Proposed Budget Press Conference - April 29
 - Community Presentations - May 1, 5 and 7
 - Public Hearing - May 13
 - Adopted Budget - May 27
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