

A Quick Guide to the FY 16 Budget

Department of Management and Budget

The combined 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 Recommended, Proposed and Adopted Budgets will be available online at <http://ccgovernment.carr.org/ccg/budget>.

The Operating Budget

FY 16 is the first budget for the 60th Board of County Commissioners. After numerous years of stagnant budgets, coupled with the desire to maintain quality service levels throughout the County, the Commissioners provided increased funding to our governmental partners (the public school system, community college, and library), as well as to volunteer fire companies and non-profit service providers.

Actions taken by the Board of County Commissioners in this Proposed Budget include:

- \$6.8M to the Board of Education
- \$0.5M to Non-Profit Providers, primarily for shelter operations
- \$1.0M to the Sheriff and State's Attorney to address drug issues
- \$0.5M to the Volunteer Emergency Services Association
- \$0.2M in ongoing funding and \$0.3M in one-time technology funding to the Community College
- \$0.1M in ongoing technology funding for the Public Library system
- \$50,000 to fund the Length of Service Award Program (LOSAP) for the volunteer firefighters.

The FY 16 Budget

The FY 16 Operating Budget is \$379.9M, a \$11.4M, or 3.1%, increase over FY 15. This increase is primarily driven by growth in Property and Income Tax Revenue, in addition to other revenues.

Revenues (55-62, 75-88)

- The FY 16 Budget increases \$10.7M, or 2.9%, from the FY 15 Budget. The increases in Property Tax, \$2.7M, Income Tax, \$7.7M, Cable Franchise Fee, \$1.5M, Transfer from the Special Revenue, \$1.1M, and Current Year Surplus, \$2.1M, are partially offset by a reduction in Transfer from Capital, (\$2.0M), and Prior Year Unappropriated Reserve, (\$4.1M).
- Property Tax increases 1.4%, or \$2.7M from the FY 15 Budget, primarily due to a \$1.8M Property Tax credit in FY 15. FY 16 is the first positive reassessment in six years. The FY 16 reassessment for Group 3 resulted in an increase of 4.1%. This was preceded by drops of 3.0% for Group 2 in FY 15, 3.8% in Group 1 in FY 14, 15.4% in Group 3 in FY 13, 19.6% for Group 2 in FY 12, and 19.2% for Group 1 in FY 11.
- Income Tax is up \$8.4M, a 6.9% increase from the FY 15 budget and the FY 15 forecast. \$2.8M of the \$8.4M increase is due to diverting 2.0% of dedicated local income tax from the public school CIP to the general fund. The first two major distributions received in FY 15 were higher than planned due to taxpayer behavior. This increased our base for FY 15. Growth in major distributions is planned at 4.6% in FY 16. Carroll historically outperforms the State due to our higher average income and lower unemployment rate.
- Recordation is up \$0.8M from the FY 15 Budget. This revenue is driven by activity in the housing market. After numerous years of a depressed housing market, indicators, such as average sale price, number of units sold, and the days on the market, are showing improvement. Recordation revenue hit a low in FY 11 at \$7.7M but we are now seeing positive growth in revenue.
- Transfer from Capital Fund is down \$2.0M, a 14% decrease from FY 15. This revenue is related to paying debt service on school construction projects with the dedicated 7.09% portion of the Income Tax.

Expenditures

- An amount equivalent to a 2.5% salary increase for County personnel is in FY 16.

General Fund:

Carroll County Public Schools Summary (97-100)

- Total County funding to benefit Carroll County Public Schools (CCPS) is up \$4.2M, or 2.5% from FY 15.
- Includes \$169.5M in ongoing funding which includes \$4.7M of one-time funds.
- In FY 16, the Board of Commissioners voted to temporarily redirect 2.0% of Local Income Tax, traditionally appropriated directly to the Capital Fund for Board of Education construction projects, to the Public Schools operating budget.
- Teacher Pensions, which were previously paid by the State, are established by State Law to cost the County \$6.7M in FY 16.

Education Other Summary (103-108)

- Carroll Community College funding is up \$0.2M, or 2.9%, in FY 16. Included is ongoing funding of \$0.2M for employee salaries.
- Carroll County Public Library is up \$0.3M, or 3.1%, in FY 16, which includes a 2.5% operating increase.

Public Safety and Corrections Summary (111-141)

- Total Sheriff Services increases \$1.1M, or 5.6%, for five additional positions associated with the Drug Enforcement Support Program and the second-year implementation of an enhanced salary plan.
- State's Attorney's Office increases \$0.5M or 15.95% due to three additional positions added to support the Drug Enforcement Support Program and funding for leased space for the planned move of the State's Attorney's Office from the Circuit Courthouse building.
- VESA/EMS increases \$0.5M, or 4.3%, and includes \$0.3M as a match for replacement of Self Contained Breathing Apparatus Grant and \$0.2M ongoing for workers compensation and general operating cost.

Public Works Summary (145-157)

- Public Works increases \$1.0M, or 3.25%, primarily due to the addition of a Deputy Director position, one-time funding for salt, and vehicle purchases associated with the Drug Enforcement Support Program.

Citizen Services Summary (161-187)

- Citizen Services decreases \$0.1M, or 3.5%, due to the reduction in the operating contract for Recovery Support Services, partially offset with the addition of transportation tickets for Veteran Services previously included in Social Services.
- Citizen Services - Non-Profits increases \$0.4M, or 15.0%, primarily for shelter operations.
- Social Services decreases due to a reallocation of the funding for the Veterans Transportation Program to Citizen Services Administration.

Culture and Recreation Summary (191-205)

- Recreation and Parks decreases \$0.1M, or 3.2%, due to one-time funding in FY 15 to address additional grass mowing and control of hydrilla at Piney Run Park.

General Government Summary (209-268)

- Comptroller increases \$0.1M, or 2.8%, due to an increase in County's share of State assessment costs and the addition of the OpenGov software program.
- Human Resources increases \$0.3M, or 1.8%, due to additional health benefits related to eight new positions for the Drug Enforcement Support Program and OPEB allocation.
- Technology Services increases \$0.4M, or 9.3%, primarily due to security upgrades, professional training, and contracted developer services.
- Board of Elections increases \$0.2M, or 29.8% due to costs associated with the new optical scan voting system.

Debt, Transfers, and Reserves Summary (279-284)

- Debt Service increases slightly in FY 16 due to bonds sold for the 800 MHz Digital Radio System and Pavement Management.
- Agricultural Land Preservation Debt Service increases due to planned Installment Purchase Agreement easement transactions.
- Intergovernmental Transfers increases due to State Aid for Fire and an NPDES compliance position, which are both offset in other budgets, as well as increased payments to Towns based on the Town Program formula.
- Interfund Transfers increases due to additional one-time funds transferred to the Solid Waste Enterprise Fund and a one-time transfer of funds to establish the Risk Workers Compensation ISF.
- The Reserve for Contingency is generally set at 1% of the General Fund revenues. The Reserve for Contingency increases due to the addition of funding for the housing of prisoners offsite and funding for a Reserve for Positions.

Other Funds:

Septage Facility Enterprise Fund (327-328)

- Septage increases \$0.1M, or 17.5%, primarily due to an increase in the process rate from \$0.06 to \$0.065 per gallon.

Solid Waste Enterprise (331-339)

- Solid Waste Enterprise Fund increases \$0.3M or 2.89% due to leachate disposal and the purchase of a grinder for processing yard waste.

Utilities Enterprise Fund (343-351)

- Water and Sewer Enterprise Fund remains flat to FY 15 due to the reduction in the operating contract with Maryland Environmental Services for the Freedom Wastewater Treatment Plant offset by cleaning costs for membrane filters and water purchases from the City of Baltimore for the Freedom Water Treatment Plant.

Grant Fund Summary (355-372)

- Overall, every \$1.00 of County match/contribution brings in \$14.30 of grant funding.

OPEB Fund Summary (375)

- The OPEB Fund increases \$0.5M, or 4.9%, due a 10% increase in costs for current retirees offset by a flat contribution from FY 15 for future retirees.

LOSAP Fund Summary (378)

- LOSAP includes \$50,000 of funding in FY 16.

Special Revenue Fund (379)

- In FY 15 the Watershed Protection and Restoration Fund was created to ensure adequate funding for operating expenditures related to the County's National Pollutant Discharge Elimination System (NPDES) Permit and watershed restoration efforts. In FY 16, Property Tax of \$1.0M and Municipalities' contributions of \$50,000 is equal to the projected operating expenses for this purpose. Property Tax Revenue is dedicated to the fund on an annual basis.

Risk Management Workers Compensation ISF Summary (387)

- In FY 16, the Risk Management Workers Compensation Internal Service Fund is being established to account for the cost of County's workers compensation claims. Funding of \$3.1M is included.