... leading us on a new path forward by restoring balance and fiscal responsibility for our citizens & employees

HARFORD COUNTY

Approved FY 19 Budget in Brief

Barry Glassman, County Executive
A Message from Harford County Executive Barry Glassman

In my final budget of this term, Harford County is back on higher ground with record-level funding for education, public safety, and libraries. In fact, without raising taxes we have been able to direct nearly $38 million over the past four years to restoring salaries for our teachers, law enforcement, and dedicated county employees. We have also restored our unassigned fund balance and adopted the county’s first property tax credit for qualifying seniors and military retirees. This progress comes from following our path to fiscal balance and efficiency in local government.

In FY 19, our $571,655,000 general fund operating budget directs 100% of new, ongoing revenue to education and public safety; nearly $1.2 million is committed to keeping our children safe in school. We also more than double county funds targeting the opioid epidemic, including the county’s first 24-hour crisis center for mental health and addiction. As a sign of the recovering local real estate market, our local dedicated transfer tax will allow us to invest a record $22 million for our local agricultural land preservation program, which protects land from future development.

The $167,230,000 capital budget funds county roads and bridge projects, stormwater remediation, priority repairs and life safety equipment requested by our volunteer fire companies and ongoing projects to connect the Ma & Pa Trail and build the new Havre de Grace Middle/High School.

The total budget for FY 19 is $901,837,025. Highlights appear below.

**RESTORING BALANCE & EFFICIENCY**

- No tax increases
- 100% of new, ongoing FY 19 revenue dedicated to education and public safety
- County government efficiencies help fund other operations
- Unassigned fund balance more than doubled over the last three years
- AAA bond rating lowers borrowing costs; rating maintained due to strong management and realistic Capital Improvement Program

**REINVESTING IN OUR WORKFORCE**

- 2% COLA for all county employees plus $2,000 merit-based increase per qualifying employee
  - Equivalent increases for States’ Attorney and Circuit Court employees
  - Merit increase will have greater impact on lower-salaried workers
- Funding equivalent to 3% salary increase for Library employees; sets record-level funding for Harford County Public Library
- $2.8 million to fully fund the Sheriff’s Office request for salary increases; totals $5.3 million over the last two years
- $122,472 for the new Sheriff’s Office Cadet Program

**INVESTING IN EDUCATION**

- Record level funding continues for Harford County Public Schools:
  - $245,815,645 in FY 19 operating funds for HCPS; total increase of $7.1 million over FY 18
  - $6.4 million of the total increase dedicated to raising instructional salaries, continuing our support for teachers
- $400,000 to Harford Community College for the County’s traditional 1/3 share of funding to support staff salary increases

**STRENGTHENING COMMUNITIES**

- Preventing and treating opioid addiction:
  - County funding more than doubled to $610,000
  - Includes $250,000 toward the County’s first 24-Hour Crisis Center for mental health & addiction
• Historic level funding for our first responders:
  o $6,964,084 Volunteer Fire Companies; represents a 3% increase over FY 18
  o $3,546,668 EMS Foundation
  o $1,589,118 County EMS Service

• Keeping our children safe in school:
  o $773,000 to expand existing School Resource Officer Program to remaining middle schools
  o $325,000 to fully fund requested school security camera upgrades
  o $100,000 ongoing annual funding to improve radio communications in schools

• Agricultural preservation:
  o Record-level funding $22 million from revenue dedicated to preserving agricultural land

• Support for Community Organizations
  o Harford County Humane Society
  o The Arc Northern Chesapeake
  o Harford Center

CAPITAL PROJECT HIGHLIGHTS

• $16.2 million - County road and bridge projects
• $11.4 million - Stormwater remediation projects
• $24.5 million – Water & Sewer infrastructure reinvestments
• $1.6 million – Volunteer Fire Company priority repairs and life safety equipment; includes Whiteford and Joppa/Magnolia VFC renovations
• $1 million HCPS school technology
• Ma & Pa Trail connection – continued funding
• Havre de Grace Middle/High School – continue construction on $100 million project
• Patterson Mill Middle/High School – begin funding for artificial turf field
• Fallston Middle School chiller replacement
• Aberdeen Middle School roof replacement
• HCPS swimming pool renovations – continued funding

In closing, I want to thank the many citizens who shared their budget priorities with me through our fourth annual virtual town hall meeting. Their priorities helped shape my budget priorities in the budget that follows. I also want to thank my Director of Administration Billy Boniface, our hardworking budget team, and our county employees who are dedicated each day to serving our customers, the citizens of Harford County.

Barry Glassman
County Executive
BUDGET PROCESS

With advice from a Spending Affordability Committee (comprised of local citizen volunteers) and departmental staff; after meetings with all County departments, the Board of Education, the County Libraries and Harford Community College; and after conducting a virtual town hall meeting to secure citizen input; the County Executive proposes an annual budget which by law, must be presented to the County Council by April 15th. The Council then holds budget hearings. By June 15th, the Council is required by law to adopt an Operating and Capital Budget and set tax rates.

Late August - Expense estimates from the Budget Office and revenue estimates from Treasury

Late August - Spending Affordability provides preliminary revenue estimates

Late August - Board of Education, County Libraries & Harford Community College (HCC) provide preliminary request information

December - Spending Affordability Committee makes revenue growth recommendations

September and October - Departments, Board of Education, HCC & Libraries submit operating & capital requests, plus goals, objectives & performance measures

Early September - County Executive establishes base budget guidelines

December - Budget and Treasury make expense and revenue recommendations

January - County Executive holds a virtual town hall meeting for citizen input on the budget

January - County Executive holds departmental meetings on budgets and performance plans

April and May - County Council conducts budget hearings for Departments, Board of Education, HCC and the Libraries

April and May - County Council holds public hearings for citizen input

April 15 - County Executive’s Proposed Budget submitted to the County Council and published for the public

June 15 - The Approved Budget and Tax Rates are authorized by the County Council

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HARFORD COUNTY FISCAL POLICY

Harford County's Fiscal Policies and Budget Process were framed by the County Charter, Article V, Budget and Finance and the County Code; expanded by our Business Plan; enhanced by recommendations of the Government Finance Officers Association; and conform to Federal, State and local regulations as well as requirements of the Governmental Accounting Standards Board. At the core of these policies is the County's determination to remain fiscally conservative, yet recognize fluctuations in the economy, changing trends, the adoption of new laws, and the concerns of our citizens. The County constantly reviews and adapts where necessary, our ways of conducting business. Harford County's Five Year Business Plan assures our citizens that funding for public services, programs and facilities is sufficient to assure effectiveness, appropriate as to source; and fair and equitable throughout the County. The cornerstones of the Plan are:

A Six Point Financial Plan

Expenditures will be based on a real versus a perceived need
Expenses, functions, services and projects will be affordable
An affordable ten year capital program will be planned and implemented in accordance with the County's debt policies
Conservative operating budgets will be planned and prepared
New sources of revenue will be identified and advanced
A fund balance equal to 5% of the General Fund Operating Budget will be preserved to maintain our credit rating & provide for emergencies

Strategic Planning Incorporating Ten Principles of Sound Financial Management

The County's Land Use Plan shall not become static and will be synchronized with the Operating & Capital Budgets and the Capital Improvement Program;
The retention and expansion of local businesses will be encouraged, while attracting new companies to the County in order to expand our assessable base, diversify our economy, and increase employment opportunities for our citizens;
Budgets will be conservative; a surplus in the General Fund at the end of each fiscal year shall be imperative; and a 5% Reserve of the General Fund will be maintained;
Net Bonded Debt will be maintained at a level of no more than 2.3% of the full cash value of assessable property in the County. As we hold conservative, yet fluid and responsive debt management to be fiscally prudent, bonded debt and its resulting Debt Service is to be kept to as small a portion of the General Fund Budget as is realistically possible, while not tied to a set ratio;
Debt will be issued only after a careful analysis ensures that revenue to pay that debt will be available;
If a deficit is forthcoming, the County Executive will impose a freeze on hiring and spending;
Accounting practices will conform to Generally Accepted Accounting Principles;
All efforts will be made to improve program and employee productivity;
Duplicative functions within government will be reduced;
County Agencies will fully support the cost management system.

Debt Management

Pay-As-You-Go (Paygo) will be used for minor renovation and repair projects with an asset life of less than ten years; new buildings, major renovations and repairs to existing facilities, which contribute to the asset's life can be financed with General Obligation bonds.

Cash Management

100% of idle cash will be pooled for investment based on an analysis used to determine the best possible return while ensuring maximum cash availability.

Revenue Policies

An annual review of revenue projections for the next three fiscal years; setting user charges and fees at a level related to the cost of providing the service; assuring that property appraisal and assessment procedures (through a State function) are fair and accurate, checking that property classifications ensure land zoned carries the proper appraisal; and following an aggressive policy of collecting property taxes.

Operating Budget Policies

Assure that all current expenses will be paid for with current revenues; capital plant and equipment will be maintained & scheduled for orderly replacement; three year expenditure projections will be updated annually; enacted budgets will be adhered to; monthly reports will be prepared comparing actual revenues to expenses; fiscal impact statements will be prepared for all legislative proposals, new administrative policies, procedures/programs, & will be used to determine the revenue & expense impact of subdivision approvals.

Capital Improvement Budget Policies

Require the County to use the least costly method of financing all new projects, & to coordinate the capital budget with the operating budget; projected debt service must follow the County's debt policies & be included in the operating budget.
HARFORD COUNTY BUDGET ORGANIZATION

Harford County’s comprehensive financial and operating plan for the fiscal year is comprised of the Annual Operating and Capital Budgets and our Six Year Capital Improvement Program.

The Operating Budget
The Annual Operating Budget details fiscal information for all County departments and agencies along with information on services, programs, goals, objectives, performance measures, and staffing requirements. Also defined are the County's contributions to independent sectors such as the Board of Education, Harford Community College & the County's Libraries. The budget consists of the following separate established funds to record the receipt and application of resources which by law or generally accepted accounting principles, must be kept distinct:

The General Fund
• The General Fund is the principal operating fund for Harford County Government and is used to account for all financial resources except those required by law, County policy, and/or generally accepted accounting principles to be accounted for in another fund.

The Highways Fund
• The Highways Fund is used to account for dedicated revenues derived from specific taxes and other earmarked revenue sources restricted to expenditures for the operation and support of the Department of Public Works - Divisions of Highways and Construction Management, County fleet maintenance, traffic safety and transportation services.

The Water and Sewer Debt Service Fund
• The Water and Sewer Debt Service Fund accounts for principal and interest payments on water and sewer bonds and loans, financed by dedicated revenues derived from user fees and surtaxes.

Stormwater Management Fund
• The Stormwater Management Fund is a special account for deposit of a certain portion of the recordation tax, $0.55 for each $500 of the sale price for each property deed recorded. To be used for watershed protection and restoration.

The Water and Sewer Fund
• The Water and Sewer fund is an enterprise fund, accounting for operations financed and conducted similar to private enterprise. It is the County Government’s intent to finance these services primarily through charges to water and sewer service customers.

Special Revenue Funds
• The Special Revenue Funds were established to comply with the Governmental Accounting Standards Board’s (GASB) Statement No. 34, which requires maintaining individual accounts for programs of a self supporting nature (Parks and Recreation Special Revenue Fund) or which do not provide basic governmental services (County and State Agricultural Preservation Funds).

The Tax Increment Financing Fund
• The Tax Increment Financing Fund is a special fund for the deposit of a certain portion of the real property tax collected in a development district and used to finance or reimburse the cost of special obligation bonds for certain public improvements relating to the district without constituting a general obligation of the County.

The Capital Budget and Capital Improvement Program
Harford County Government officials, with input from all departments and agencies, identify the long-range need to construct new or improve existing public facilities, and formulate a capital plan, consisting of a one year Capital Budget and a six year Capital Improvement Program. Such a program provides appropriation authority and planning for projects of long-term usefulness, size and cost, and/or which require large expenditures of funds usually programmed over more than one year and which result in a durable capital asset.
HARFORD COUNTY BRIEF ECONOMIC FACTS

### Population

<table>
<thead>
<tr>
<th>Year</th>
<th>Households</th>
<th>Population</th>
<th>Age Distribution</th>
<th>Age Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>93,358</td>
<td>250,025</td>
<td>Under 18</td>
<td>23.0%</td>
</tr>
<tr>
<td>2020*</td>
<td>97,892</td>
<td>258,670</td>
<td>18-64</td>
<td>62.0%</td>
</tr>
<tr>
<td>2025*</td>
<td>101,689</td>
<td>265,100</td>
<td>Over 64</td>
<td>15.0%</td>
</tr>
</tbody>
</table>

*Projected

### Major Employers

<table>
<thead>
<tr>
<th>Employer</th>
<th>Product/Service</th>
<th>Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aberdeen Proving Ground</td>
<td>Military Installation/R&amp;D</td>
<td>20,900</td>
</tr>
<tr>
<td>Upper Chesapeake Health</td>
<td>Medical Services</td>
<td>3,129</td>
</tr>
<tr>
<td>Rite Aid Mid-Atlantic Customer Support Ctr.</td>
<td>Pharmaceuticals/Consumer Goods</td>
<td>1,200</td>
</tr>
<tr>
<td>Kohl's</td>
<td>Consumer Goods Distribution/Retail</td>
<td>1,140</td>
</tr>
<tr>
<td>Harford Community College</td>
<td>Higher Education</td>
<td>1,011</td>
</tr>
<tr>
<td>Klein's ShopRite of Maryland</td>
<td>Groceries</td>
<td>1,000</td>
</tr>
<tr>
<td>Jacobs Technology</td>
<td>Laboratory Analyses</td>
<td>874</td>
</tr>
<tr>
<td>Jones Junction Auto Group</td>
<td>Car Dealers</td>
<td>669</td>
</tr>
</tbody>
</table>

### Income

<table>
<thead>
<tr>
<th>Distribution</th>
<th>Harford County</th>
<th>Maryland</th>
<th>U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under $25,000</td>
<td>13.4%</td>
<td>15.3%</td>
<td>23.1%</td>
</tr>
<tr>
<td>$25,000 - $49,999</td>
<td>15.7%</td>
<td>17.9%</td>
<td>23.5%</td>
</tr>
<tr>
<td>$50,000 - $74,999</td>
<td>17.6%</td>
<td>17.1%</td>
<td>17.8%</td>
</tr>
<tr>
<td>$75,000 - $99,999</td>
<td>15.2%</td>
<td>13.4%</td>
<td>12.1%</td>
</tr>
<tr>
<td>$100,000 - $149,999</td>
<td>21.0%</td>
<td>18.2%</td>
<td>13.1%</td>
</tr>
<tr>
<td>$150,000 - $199,999</td>
<td>9.5%</td>
<td>9.0%</td>
<td>5.1%</td>
</tr>
<tr>
<td>$200,000 and over</td>
<td>7.6%</td>
<td>9.2%</td>
<td>5.3%</td>
</tr>
<tr>
<td>Median Household Income</td>
<td><strong>$80,465</strong></td>
<td><strong>$74,551</strong></td>
<td><strong>$53,889</strong></td>
</tr>
<tr>
<td>Avg. Household Income</td>
<td><strong>$95,283</strong></td>
<td><strong>$97,801</strong></td>
<td><strong>$75,558</strong></td>
</tr>
<tr>
<td>Per Capita Income</td>
<td><strong>$35,746</strong></td>
<td><strong>$36,897</strong></td>
<td><strong>$28,930</strong></td>
</tr>
<tr>
<td>Total Income (millions)</td>
<td><strong>$8,740</strong></td>
<td><strong>$211,875</strong></td>
<td><strong>$8,834,718</strong></td>
</tr>
</tbody>
</table>

### Tax Rates

<table>
<thead>
<tr>
<th>Tax Type</th>
<th>Harford County</th>
<th>Maryland</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Income Tax (2015)</td>
<td>None</td>
<td>8.25%</td>
</tr>
<tr>
<td>Personal Income Tax (2015)</td>
<td>3.06%</td>
<td>2.0%-5.75%</td>
</tr>
<tr>
<td>Sales &amp; Use Tax (2015)</td>
<td>None</td>
<td>6.0%</td>
</tr>
<tr>
<td>Real Property Tax (2015)</td>
<td>$1.04</td>
<td>0.112</td>
</tr>
<tr>
<td>Business Personal Property Tax (2015)</td>
<td>$2.60</td>
<td>None</td>
</tr>
</tbody>
</table>

Major Tax Credits Available:
- **Enterprise Zone, Job Creation, R&D, Biotechnology and Cybersecurity Investment, A&E District**

### Harford County’s Bond Rating

Harford County went to the bond market on January 23, 2018 for a $50,000,000 bond sale. The County received the highest rating possible from all of the three investor services, resulting in Fitch Ratings of AAA, Standard and Poor’s ratings of AAA, and Moody’s Investor Service ratings of Aaa.
ALL FUNDS OPERATING BUDGETS
Fiscal Year 2018-2019
TOTAL APPROVED REVENUES $734,607,025

- Income Taxes $226,700,000 (31%)
- Property Tax $308,798,875 (42%)
- Other Revenue $66,190,355 (9%)
- Other Local Taxes $21,270,700 (3%)
- Fund Balance $40,975,345 (6%)
- W&S User Charges $50,297,300 (7%)
- Intergovernmental/State $9,694,000 (1%)
- W&S Debt $10,680,450 (1%)
- Other Local Taxes $21,270,700 (3%)
- Property Tax $308,798,875 (42%)

TOTAL APPROVED APPROPRIATIONS $734,607,025

- General Government $137,867,666 (19%)
- Water & Sewer Operations $54,510,000 (7%)
- Public Safety $109,542,838 (15%)
- Education $262,627,257 (36%)
- Paygo $32,338,259 (4%)
- Libraries $17,472,912 (3%)
- Debt Service $81,209,031 (11%)
- Highways $39,039,062 (5%)
GENERAL FUND REVENUES
Fiscal Year 2018 - 2019
TOTAL APPROVED BUDGET $571,655,000

FY 2019 APPROVED GENERAL FUND REVENUE BREAKDOWN

PROPERTY TAXES: 47% 269,879,000
- Real & Personal 276,290,000
- Deductions (6,411,000)

INCOME TAX 40% 226,700,000

INTERGOV'T/STATE: 6% 35,244,600
- Intergovernmental 5,545,000
- Intra-County 2,135,986
- Pro Rata 5,806,914
- Recordation 12,406,700
- Transfer 9,350,000

MISCELLANEOUS: 5% 25,837,455
- Investment Income 1,701,000
- License & Permits 4,554,400
- Other Taxes 6,110,000
- Service Charges 12,703,850
- Fines & Forfeitures 95,000
- Miscellaneous Revenues 673,205

FUND BALANCE 2% 13,993,945

TOTAL GENERAL FUND REVENUES 571,655,000
GENERAL FUND APPROPRIATIONS
Fiscal Year 2018 - 2019

TOTAL APPROVED BUDGET $571,655,000

GENERAL GOVERNMENT: 19% 110,946,579
- County Executive 758,726
- Administration 10,339,406
- Procurement 911,221
- Treasury 3,665,712
- Law 2,161,309
- Planning & Zoning 3,917,277
- Human Resources 2,144,026
- Community Services 5,139,637
- Handicapped Centers 2,408,730
- Office of Gov't & Comm. Rel 1,199,523
- Health 3,775,987
- Info. & Comm. Technology 9,808,056
- Public Works 18,014,229
- Council 3,241,639
- Judicial 3,545,253
- State's Attorney 6,075,073
- Elections 2,359,305
- Parks & Recreation 9,682,090
- Natural Resources 734,800
- Community & Economic Dev. 6,423,849
- Insurance 714,176
- Benefits 9,071,042
- Appropriation to Towns 3,585,513
- Appropriation to State 1,120,000
- Rural Legacy Program 50,000
- Contingency Reserve 100,000

EDUCATION (OPERATING): 46% 262,627,257
- Board of Education 38% 245,815,645
- Harford Community College 3% 16,811,612

PUBLIC SAFETY: 19% 109,542,838
- Sheriff 81,203,021
- Emergency Services 13,681,356
- Volunteer Fire Companies 6,964,084
- EMS Foundation 3,546,668
- Inspections, Licenses & Permits 3,247,709
- Humane Society 900,000

LIBRARIES 3% 17,472,912
- State's Attorney 6,075,073
- Elections 2,359,305
- Parks & Recreation 9,682,090
- Natural Resources 734,800
- Community & Economic Dev. 6,423,849
- Insurance 714,176
- Benefits 9,071,042
- Appropriation to Towns 3,585,513
- Appropriation to State 1,120,000
- Rural Legacy Program 50,000
- Contingency Reserve 100,000

PAYGO: 3% 14,527,293
- Capital Improvements 11,715,972
- Grant Matches 2,811,321

DEBT SERVICE 10% 56,538,121
- Rural Legacy Program 300,000
- Contingency Reserve 100,000

TOTAL GENERAL FUND APPROPRIATIONS 571,655,000
The General Fund accounts for the largest portion of the total financial operations of Harford County Government. General Fund appropriations are used primarily to finance the administrative activities of County Government and to provide programs and services to our citizens. The major portion of the Board of Education's funding comes from County General Fund dollars. County support for Harford Community College, the Health Department, and the Libraries also come from the General Fund. Other funding sources are comprised of revenues earmarked for specific expenses. It is solely General Fund revenues that are used for basic operations and government services.

REVENUES

The majority (87%) of our projected General Fund Revenues come from Property Taxes and Income Taxes.

PROPERTY TAXES

<table>
<thead>
<tr>
<th></th>
<th>FY 19 Approved</th>
<th>% of General Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 19 Approved</td>
<td>$269,879,000</td>
<td>47%</td>
</tr>
<tr>
<td>FY 18 Approved</td>
<td>$265,246,000</td>
<td>49%</td>
</tr>
<tr>
<td>$ growth</td>
<td>$4,633,000</td>
<td>1.75%</td>
</tr>
<tr>
<td>% growth</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

In FY 19, the percent of overall increase in property tax revenue is 1.75% or $4,633,000. The increase is due to the properties being reassessed, known as "Group 3" having property values increased on average by 7.7% statewide. In Harford County, residential assessments increased by 3.6% and commercial assessments increased by 6.5% since their last assessment. FY 19 is the fifth year of positive assessment growth in Harford County.

INCOME TAXES

<table>
<thead>
<tr>
<th></th>
<th>FY 19 Approved</th>
<th>% of General Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 19 Approved</td>
<td>$226,700,000</td>
<td>40%</td>
</tr>
<tr>
<td>FY 18 Approved</td>
<td>$219,000,000</td>
<td>40%</td>
</tr>
<tr>
<td>$ growth</td>
<td>$7,700,000</td>
<td>3.52%</td>
</tr>
<tr>
<td>% growth</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Income tax is calculated in Maryland as a percentage of net taxable income. While the State sets a tax rate cap of 3.2% for local governments, the Harford County Council set our income tax rate at 3.06%. The State Comptroller's Office administers and collects the tax and distributes the receipts to the counties and municipalities. We receive approximately 90% of income tax in quarterly distributions of the withholdings and estimated payments.

The increase in quarterly revenue is largely due to an improving economy and lower unemployment. We estimate the FY 18 actual amount to be what we have origianlly budgeted $219,000,000. FY 19 will be our eighth year of positive growth in income tax for Harford County.

OTHER REVENUES

<table>
<thead>
<tr>
<th></th>
<th>FY 19 Approved</th>
<th>% of General Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 19 Approved</td>
<td>$75,076,000</td>
<td>13%</td>
</tr>
<tr>
<td>FY 18 Approved</td>
<td>$58,854,000</td>
<td>11%</td>
</tr>
<tr>
<td>$ growth</td>
<td>$16,222,000</td>
<td>27.56%</td>
</tr>
<tr>
<td>% growth</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The elements mainly responsible for the growth in "Other" revenues are:

<table>
<thead>
<tr>
<th></th>
<th>FY 18 Funding</th>
<th>FY 19 Funding</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recordation Tax</td>
<td>$9,500,000</td>
<td>$12,406,700</td>
<td>$2,906,700</td>
</tr>
<tr>
<td>Transfer Tax</td>
<td>$8,500,000</td>
<td>$9,350,000</td>
<td>$850,000</td>
</tr>
<tr>
<td>Fund Balance Appropriated</td>
<td>$4,600,000</td>
<td>$13,993,945</td>
<td>$9,393,945</td>
</tr>
</tbody>
</table>

In FY 19, we are anticipating to transfer $2,300,000 of accumulated recordation tax and $10,106,700 of current year recordation tax to the General Fund for school debt.

In FY 19, we are anticipating to transfer $750,000 of accumulated transfer tax and $8,600,000 of new transfer tax to the General Fund to pay school debt.

Governmental funds report the difference between their assets and liabilities as fund balance. In FY 18, we appropriated $4,600,000 of assigned fund balance. In FY 19 we have appropriated $13,993,945 of unassigned fund balance.

All "Other" Revenues combined

<table>
<thead>
<tr>
<th></th>
<th>FY 18 Approppriation</th>
<th>FY 19 Appropriation</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recordation Tax</td>
<td>$9,500,000</td>
<td>$12,406,700</td>
<td>$2,906,700</td>
</tr>
<tr>
<td>Transfer Tax</td>
<td>$8,500,000</td>
<td>$9,350,000</td>
<td>$850,000</td>
</tr>
<tr>
<td>Fund Balance Appropriated</td>
<td>$4,600,000</td>
<td>$13,993,945</td>
<td>$9,393,945</td>
</tr>
<tr>
<td>All &quot;Other&quot; Revenues combined</td>
<td>$36,254,000</td>
<td>$39,325,355</td>
<td>$3,071,355</td>
</tr>
</tbody>
</table>

These include: Other taxes, charges for current services, revenues from other agencies, fines and forfeitures, licenses and permits and investment income.
## GENERAL FUND EXPENDITURES

### GENERAL FUND SUMMARY BY DEPARTMENT:

<table>
<thead>
<tr>
<th>Department</th>
<th>Original Budget FY 18</th>
<th>Approved Budget FY 19</th>
<th>Change FY 19 VS. FY 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>COUNTY EXECUTIVE</td>
<td>739,045</td>
<td>758,726</td>
<td>19,681</td>
</tr>
<tr>
<td>ADMINISTRATION</td>
<td>10,398,735</td>
<td>10,339,406</td>
<td>(59,329)</td>
</tr>
<tr>
<td>PROCUREMENT</td>
<td>778,209</td>
<td>911,221</td>
<td>133,012</td>
</tr>
<tr>
<td>TREASURY</td>
<td>3,511,997</td>
<td>3,665,712</td>
<td>153,715</td>
</tr>
<tr>
<td>LAW</td>
<td>2,073,035</td>
<td>2,161,309</td>
<td>88,274</td>
</tr>
<tr>
<td>PLANNING AND ZONING</td>
<td>3,625,800</td>
<td>3,917,277</td>
<td>291,477</td>
</tr>
<tr>
<td>HUMAN RESOURCES</td>
<td>1,907,235</td>
<td>2,144,026</td>
<td>236,791</td>
</tr>
<tr>
<td>COMMUNITY SERVICES</td>
<td>4,859,507</td>
<td>5,139,637</td>
<td>280,130</td>
</tr>
<tr>
<td>HANDICAPPED CARE CENTERS</td>
<td>2,298,730</td>
<td>2,408,730</td>
<td>110,000</td>
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<tr>
<td>HEALTH</td>
<td>3,728,318</td>
<td>3,775,987</td>
<td>47,669</td>
</tr>
<tr>
<td>OFFICE OF GOVT &amp; COMMUNITY RELATIONS</td>
<td>1,155,448</td>
<td>1,199,523</td>
<td>44,075</td>
</tr>
<tr>
<td>HOUSING AGENCY</td>
<td>1,404,853</td>
<td>0</td>
<td>(1,404,853)</td>
</tr>
<tr>
<td>INFORMATION &amp; COMMUNICATION TECHNOLOGY</td>
<td>8,320,490</td>
<td>9,808,056</td>
<td>1,487,566</td>
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<tr>
<td>SHERIFF’S OFFICE</td>
<td>76,529,635</td>
<td>81,203,021</td>
<td>4,673,386</td>
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<tr>
<td>EMERGENCY SERVICES</td>
<td>21,674,393</td>
<td>24,192,108</td>
<td>2,517,715</td>
</tr>
<tr>
<td>INSPECTIONS, LICENSES AND PERMITS</td>
<td>3,035,247</td>
<td>3,247,709</td>
<td>212,462</td>
</tr>
<tr>
<td>PUBLIC WORKS (includes Solid Waste)</td>
<td>17,114,715</td>
<td>18,014,229</td>
<td>899,514</td>
</tr>
<tr>
<td>COUNTY COUNCIL</td>
<td>2,979,531</td>
<td>3,241,639</td>
<td>262,108</td>
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<tr>
<td>JUDICIAL</td>
<td>3,378,138</td>
<td>3,545,253</td>
<td>167,115</td>
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<tr>
<td>STATE’S ATTORNEY</td>
<td>6,237,188</td>
<td>6,075,073</td>
<td>(162,115)</td>
</tr>
<tr>
<td>ELECTIONS</td>
<td>2,401,235</td>
<td>2,359,305</td>
<td>(41,930)</td>
</tr>
<tr>
<td>BOARD OF EDUCATION</td>
<td>238,715,645</td>
<td>245,815,645</td>
<td>7,100,000</td>
</tr>
<tr>
<td>HARFORD COMMUNITY COLLEGE</td>
<td>16,411,612</td>
<td>16,811,612</td>
<td>400,000</td>
</tr>
<tr>
<td>LIBRARIES</td>
<td>17,100,985</td>
<td>17,472,912</td>
<td>371,927</td>
</tr>
<tr>
<td>PARKS AND RECREATION</td>
<td>9,339,147</td>
<td>9,682,090</td>
<td>342,943</td>
</tr>
<tr>
<td>CONSERVATION OF NATURAL RESOURCES</td>
<td>728,455</td>
<td>734,800</td>
<td>6,345</td>
</tr>
<tr>
<td>ECONOMIC DEVELOPMENT</td>
<td>5,993,358</td>
<td>6,423,849</td>
<td>430,491</td>
</tr>
<tr>
<td>DEBT SERVICE</td>
<td>53,510,675</td>
<td>56,538,121</td>
<td>3,027,446</td>
</tr>
<tr>
<td>INSURANCE</td>
<td>748,098</td>
<td>714,176</td>
<td>(33,922)</td>
</tr>
<tr>
<td>BENEFITS</td>
<td>7,462,391</td>
<td>9,071,042</td>
<td>1,608,651</td>
</tr>
<tr>
<td>MISCELLANEOUS</td>
<td>14,838,150</td>
<td>20,182,806</td>
<td>5,344,656</td>
</tr>
<tr>
<td>RESERVE FOR CONTINGENCIES</td>
<td>100,000</td>
<td>100,000</td>
<td>0</td>
</tr>
<tr>
<td><strong>TOTALS:</strong></td>
<td><strong>543,100,000</strong></td>
<td><strong>571,655,000</strong></td>
<td><strong>28,555,000</strong></td>
</tr>
</tbody>
</table>

### EXPLANATION OF SIGNIFICANT CHANGES:

The General Fund (including Solid Waste) realizes an increase of $28,555,000 over FY 18.

- Includes cost of living increase of 2% and a merit increase of $2,000 for all General Government employees, State's Attorney's Office, and Circuit Court system.
- Increase in funding for the Libraries provides for staff salary increases @$371,927
- Full funding for the Sheriff's Office request for salary increases @$2,791,099
- Increase in funding for the EMS Foundation @$490,000 and for Volunteer Fire Companies @$189,442
- Paygo funding in support of the FY 19 Approved Capital Budget increases $2,535,637
- Debt Service costs increase for FY 19 @$3,027,446
- Increase in funding for Board of Education @$7,100,000 - Instructional salaries increase of $6,406,452; and additional funds for student transportation bus contracts per vehicle allotment @$693,548
- Increase in funding of $400,000 for Harford Community College to assist with staff salary enhancements
**FY 2018 - 2019**
**HIGHWAYS FUND**

**REVENUES**
TOTAL APPROVED BUDGET $50,950,000

- Property Tax $37,776,000 (74%)
- Highways Users Tax $3,000,000 (6%)
- Miscellaneous $7,797,000 (15%)
- Service Charges $1,398,100 (3%)
- Fund Balance $978,900 (2%)

**EXPLANATION OF SIGNIFICANT CHANGES**:
- COLA and Merit increase @ $662,344
- Additional funds for Fleet Management for new contract for vehicle maintenance @ $210,678
- Additional funding for contractual services to supplemental inspectors for Program Management @ $200,000
- Increase in Paygo @ $1,147,727 provides for bridge and road projects.

**APPROPRIATIONS**
TOTAL APPROVED BUDGET $50,950,000

- Division of Highways $26,005,524 (51%)
- Fleet Management $8,979,272 (18%)
- Division of Program Management $1,980,422 (4%)
- Administration $2,073,845 (4%)
- Paygo $10,845,966 (21%)
- Debt Service $1,064,971 (2%)

**FY 18 APPROVED** $48,200,000  **FY 19 APPROVED** $50,950,000  **CHANGE** $2,750,000
This fund is a special account for deposit of a certain portion of the recordation tax, $0.55 for each $500 of the sale price (or lien amount) for each property deed recorded. The proceeds of this fund are used for the County’s watershed protection and restoration program as mandated under State of Maryland law. The State requires a separate fund be established for this purpose.
FY 2018 - 2019
WATER & SEWER OPERATING FUND

REVENUES
TOTAL APPROVED BUDGET $61,050,000

Explanation of Significant Changes: 2% cost of living increase and $2,000 merit increase @ $625,361; additional funds for routine repairs to facilities @ $686,687; increased contractual funds for lab analysis, preventive maintenance programs, emergency pump outs, engineering services, etc., @ $862,300 based on actual expense history; an increase of $327,157 for equipment repair parts, laboratory supplies, chemicals and water meter purchases; a decrease of ($342,029) for equipment due to a one time construction cost in FY 18 for a steel storage building; and a $644,478 increase for Pro Rata shares and Depreciation.
The Water & Sewer Debt Service Fund provides appropriation authority for the payment of principal and interest on long-term water and sewer bonds and loans used to finance the capital projects of the County-owned water & sewer system. The decrease in funding for FY 19 is a result of the principal and interest payments adjusted to amounts due on outstanding debt.
FY 2018 - 2019
PARKS AND RECREATION
SPECIAL REVENUE FUND

REVENUES
TOTAL APPROVED BUDGET $926,000

Explanation of Significant Changes: 2% COLA and $2,000 increase for a total of $10,718; funding for temporary employees decreased at ($24,469); adjustments made to electricity, water and sewer, heating oil, telephone service, and additional funding provided for projected cost of new landscaping contract for a total of $63,296. Pro Rata shares for reimbursement of General Fund administrative support for $5,573; and funding appropriated in the FY 19 Capital Improvement Program for Swan Harbor farm at $25,000.
FY 2018 - 2019
COUNTY - AG PRESERVATION

REVENUES
TOTAL APPROVED BUDGET $30,080,000

- Transfer Tax $8,600,000 (29%)
- Miscellaneous $4,665,000 (15%)
- Fund Balance $16,815,000 (56%)

APPROPRIATIONS
TOTAL APPROVED BUDGET $30,080,000

- Debt Service $6,075,157 (20%)
- Ag Preservation $22,000,000 (73%)
- Other $2,004,843 (7%)

FY 18 APPROVED $27,013,000 FY 19 APPROVED $30,080,000 CHANGE $3,067,000

Harford County is committed to Agricultural Land Preservation. An allocation of $22,000,000 is provided for purchase of Ag Preservation easements.
Harford County's Agricultural Program is Certified. Therefore, the Program can retain 75% of the Agricultural Transfer Tax collected. For FY 19, it is projected that the County's share of the State Agricultural Tax will be $350,000.

The County will use $30,000 of this revenue to offset the salary and benefits of a Planner III, who serves as Harford County's Program Administrator. Harford County's match to MALPF for easement purchases the foundation makes on the County's behalf will be $325,000.
The Beechcreek Estates Tax Increment Fund is a special fund authorized by Bill 10-10. The Bill provided that the County could not issue more than $14,000,000 for Beechcreek Estates in special obligation bonds to finance or reimburse the cost of the public improvements benefitting the district. The Bill also pledged the real property taxes collected with respect to the tax increment of properties in the district to payment of the bonds to be issued and also authorizes the imposition of a special tax on properties within the district to the extent the tax increment received is insufficient to pay debt service on the bonds and other allowable costs and expenses. The bonds are not an indebtedness of the County for which the County is obligated to levy or pledge, or had levied or pledged, ad valorem taxes or special taxes of the County other than the real property taxes representing the levy of the tax increment on properties located in the Development district or the Special Taxes. The bonds shall be a special obligation of the County and will not constitute a general obligation debt of the County or a pledge of the County’s full faith and credit or taxing power.
FISCAL YEAR 2018 - 2019
APPROVED CAPITAL BUDGET

REVENUES
TOTAL BUDGET $167,230,000

APPROPRIATIONS
TOTAL BUDGET $167,230,000

*General includes Library and Solid Waste funding.
The following is a list of highlighted projects within the FY 19 Approved Capital Budget:

### GENERAL
- **Abingdon Library Window Replacement**: $1,259,000
- **Board of Education Debt Service 19**: $21,756,700
- **Courthouse Building Repairs**: $3,000,000
- **Facilities Repair Program**: $5,800,000
- **Fleet Replacement**: $2,000,000
- **Safeguarding Business Operations**: $1,700,000

### BOARD OF EDUCATION
- **Bel Air ES HVAC Systemic Renovation & Open Space Enclosure**: $568,000
- **Fallston Chiller Replacement**: $1,000,000
- **Havre de Grace MS/HS Replacement**: $43,831,000
- **Roof Replacement - Aberdeen Middle**: $2,664,000
- **Technology Infrastructure**: $1,000,000

### PUBLIC SAFETY
- **Joppa/Magnolia Fire Station Expansion**: $540,000
- **Mobile/Portable Radio System Upgrade**: $1,000,000
- **VFC Facility Repair**: $460,000
- **Whiteford VFC Reno of Main Station**: $350,000

### HARFORD COMMUNITY COLLEGE
- **Fallston Hall Renovations**: $5,851,000

### LIBRARIES
- **Technology**: $200,000

### PARKS AND RECREATION
- **Bush River Dredging and DMP Site**: $890,000
- **Emily Bayliss Graham Park**: $800,000
- **Emmorton Rec & Tennis Center Improv**: $500,000
- **Forest Hill Recreation Complex Improv**: $600,000
- **Parkland Acquisition**: $3,100,000
- **Trails & Linear Parks**: $5,500,000

### STORMWATER MANAGEMENT
- **Bynum Run @ St. Andrews Way Stream Restoration**: $800,000
- **County Owned Watershed Restoration**: $3,025,000
- **Joppatowne Area Watershed Restoration**: $900,000
- **Plumtree Run Watershed Restoration**: $900,000
- **Upper Bynum Watershed Restoration**: $1,450,000
- **Watershed Restoration Assessment**: $1,600,000

### SOLID WASTE
- **Waste-to-Energy Facility Closure**: $2,050,000

### HIGHWAYS
- **Bridge Inspection Program**: $850,000
- **Bridge Rehabilitation**: $841,381
- **Chestnut Hill Bridge #40**: $1,180,000
- **Glen Cove Road Bridge #156**: $200,000

### ROADS
- **Guardrails**: $150,000
- **Intersection Improvements**: $400,000
- **Schucks Road Improvements**: $456,176
- **Spesutia Road Reconstruction/Upgrade**: $500,000

### RESURFACING
- **Resurfacing Roadways**: $6,513,245

### WATER
- **Fleet Replacement**: $800,000
- **Perryman GAC Plant Improvements**: $500,000
- **Renew & Replace Water Infrastructure**: $300,000
- **Tank Painting**: $800,000
- **Water and Sewer Infrastructure Improvements**: $1,000,000

### SEWER
- **Bio Solids Facilities Enhancements**: $4,000,000
- **Brentwood Park Pumping Station Improv**: $1,250,000
- **Fallston Area Sewer**: $3,800,000
- **Hickory Sewer Infrastructure Improvements**: $3,000,000
- **Sod Run Facility Improvements**: $1,300,000
- **Sod Run WWTP Ultraviolet Disinfection**: $3,000,000

**NOTE:** Includes both County Funding and support from other sources such as State, Federal, etc.
COUNTY EXECUTIVE
BARRY GLASSMAN

COUNTY COUNCIL
Richard C. Slutzky, Council President
Mike Perrone, Jr., District A
Joseph M. Woods, District B
James V. “Capt’n Jim” McMahan, Jr., District C
Chad R. Shrodes, District D
Patrick S. Vincenti, District E
Curtis L. Beulah, District F

DIRECTOR OF ADMINISTRATION
Billy Boniface

CHIEF, BUDGET AND MANAGEMENT RESEARCH
Kimberly Spence

TREASURER
Robert Sandlass

SENIOR BUDGET ANALYSTS
William T. Watson, III
Ben Lloyd
Christen Sullivan