



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



# HARFORD

## COUNTY

### Approved FY20 Budget in Brief

Barry Glassman, County Executive

## A Message from Harford County Executive Barry Glassman

In this first budget of my second term, we are building on our success in Harford County with record level funding for education and public safety, without raising tax rates. In fact, in each of the past five years we have directed funds to restore salary increases for our teachers and law enforcement totaling \$38 million. At the same time, we have identified efficiencies within our budget to help restore salaries for our dedicated county employees. We have also maintained our AAA bond rating, which keeps borrowing costs low for vital capital projects such as roads, fire and EMS infrastructure, schools, parks and recreational facilities. This progress was made possible by following our path to fiscal balance and responsibility in local government.

In FY 20, our approved \$595,390,000 general fund operating budget directs historic-level funding to our first responders and the largest increase in a decade for our public schools, including additional support for school psychologists. We also dedicate a record \$1 million to target the opioid epidemic. This includes \$250,000 for phase two of the 24-hour Harford County Crisis Center for Mental Health and Addiction, helping families in need find services day or night.

The approved \$155,966,000 capital budget includes \$42.8 million for thirteen projects requested by Harford County Public Schools, including final funding for the new Havre de Grace Middle/High School; county road and bridge projects; stormwater remediation; Next-Gen 911 technology; priorities requested by our volunteer fire companies, school security measures, and final funding for the Ma & Pa Trail Connection.

The total budget for FY 20 is \$903,624,125. Highlights appear below.

### RESTORING BALANCE & EFFICIENCY

- Record-level funding for education and public safety
- County government efficiencies help fund other operations
- AAA bond rating lowers borrowing costs; this highest possible rating maintained due to strong management and realistic Capital Improvement Program
- No tax increases

### REINVESTING IN OUR WORKFORCE

- \$2,000 merit-based increase per qualifying county employee
  - Equivalent increases for State's Attorney, Circuit Court, and for Sheriff's Office civilian employees
  - \$2,000 increase will have a greater impact on lower-salaried workers
- One step increase, in accordance with the HCSO pay plan, plus 1% COLA for law enforcement and correctional personnel

### INVESTING IN EDUCATION

- Record level funding continues for Harford County Public Schools
  - \$256,465,645 operating funds for HCPS in FY 20; total increase of **\$10.7 million** over FY 19 and over the required Maintenance of Effort
  - \$10 million of the total increase dedicated to raising instructional salaries, qualifying HCPS to apply for new state funding to further increase teacher salaries
  - \$650,000 is to strengthen mental health services with added support for school psychologists
- Full funding for Harford Community College's requested 2% increase

## STRENGTHENING COMMUNITIES

- \$1 million for preventing and treating opioid addiction, behavioral health
  - County funding increases to \$750,000 in FY 20 for treatment assistance, prevention, recover coach training, 24-hour hotline, and post recovery support
  - \$250,000 for the second phase of the 24 hour Harford County Crisis Center for Mental Health and Addiction
- Historic level funding for our first responders:
  - \$7,037,245 – Volunteer fire companies; representing a 2% increase over FY 19
  - \$4,196,668 – Harford County Volunteer Fire & EMS Foundation
  - \$2,165,168 – Harford County EMS Service
  - \$250,000 – Contribution to Jarrettsville VFC to assist with repairing the fire protection pond
- Support for Community Organizations
  - Harford County Humane Society
  - Harford Center
  - The Arc Northern Chesapeake
  - Miracle League
  - Havre de Grace Colored High School Foundation

## CAPITAL PROJECT HIGHLIGHTS

- **\$42.8 million** for 13 HCPS projects including security measures, technology, HVAC and roof replacements, special education facilities improvements and replacement buses, and funds to complete the new \$100 million Havre de Grace Middle/High School
- **\$28.5 million** for County road and bridge projects
- **\$11.8 million** for public safety projects including Whiteford and Aberdeen VFC renovations and other fire company priority repairs and life safety equipment; a multi-agency Public Safety Mobile Command Center; construction of a new County EMS station; support for Next-Gen 911; and upgrades to public safety radio communications in schools
- **\$10.9 million** for Stormwater remediation projects
- **\$6 million** to complete the Ma & Pa Trail connection
- **\$4.7 million** for Water and Sewer infrastructure investments
- **\$2.5 million** to support sports tourism through improvements to parks and recreation playing surfaces, including Cedar Lane Sports Complex
- **\$2.1 million** for comprehensive upgrades to the Chesapeake Center at Harford Community College

In closing, I want to thank the many citizens who shared their budget priorities with me through our fifth annual virtual town hall meeting. Their priorities helped shape my budget priorities in my budget that follows. I also want to thank my Director of Administration Billy Boniface, our award-winning budget team, and our county employees who work hard each day to serve you, our fellow citizens of Harford County.

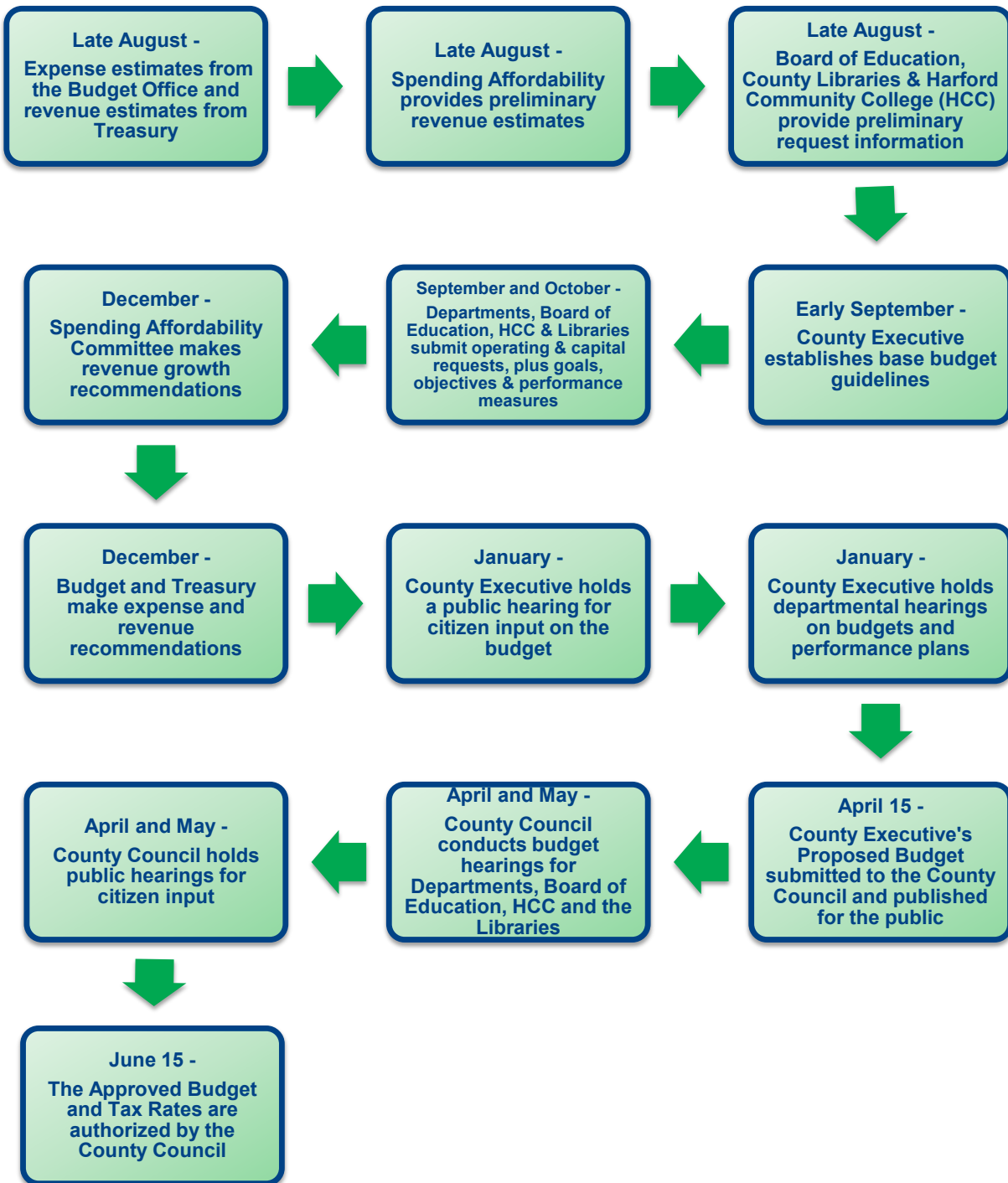


**Barry Glassman**  
County Executive



## 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 public hearing 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 its own hearings. By June 15th, the Council is required by law to adopt an Operating and Capital Budget and set tax rates.



## 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

|             | Households | Population | Population Distribution | Age      | Percent       |
|-------------|------------|------------|-------------------------|----------|---------------|
| 2015*       | 96,013     | 258,843    |                         | Under 18 | 27.7%         |
| 2020**      | 97,892     | 258,670    |                         | 18-64    | 56.0%         |
| 2025**      | 101,689    | 265,100    |                         | Over 64  | 16.2%         |
| *Estimated  |            |            |                         |          | <u>100.0%</u> |
| **Projected |            |            |                         |          |               |

### Major Employers

| Employer                                    | Product/Service                    | Employment |
|---|------------------------------------|------------|
| Aberdeen Proving Ground                     | Military Installation/R&D          | 20,900     |
| Upper Chesapeake Health                     | Medical Services                   | 3,129      |
| Rite Aid Mid-Atlantic Customer Support Ctr. | Pharmaceuticals/Consumer Goods     | 1,000      |
| Kohl's                                      | Consumer Goods Distribution/Retail | 1,140      |
| Harford Community College                   | Higher Education                   | 1,011      |
| Frito Lay                                   | Food Processing                    | 750        |
| BSC America                                 | Auto Auction                       | 475        |
| Lorien                                      | Medical Services                   | 450        |

### Income

| Distribution                   | Harford County | Maryland  | U.S.        |
|--------------------------------|----------------|-----------|-------------|
| Under \$25,000                 | 13.1%          | 14.9%     | 21.4%       |
| \$25,000 - \$49,999            | 15.3%          | 17.6%     | 22.5%       |
| \$50,000 - \$74,999            | 16.2%          | 16.9%     | 17.7%       |
| \$75,000 - \$99,999            | 14.1%          | 13.3%     | 12.3%       |
| \$100,000 - \$149,999          | 21.3%          | 18.4%     | 14.1%       |
| \$150,000 - \$199,999          | 11.1%          | 9.2%      | 5.8%        |
| \$200,000 and over             | 8.8%           | 9.7%      | 6.3%        |
| <b>Median Household Income</b> | \$83,455       | \$78,916  | \$57,652    |
| <b>Avg. Household Income</b>   | \$104,350      | \$103,845 | \$81,283    |
| <b>Per Capita Income</b>       | \$37,972       | \$39,070  | \$37,913    |
| <b>Total Income (millions)</b> | \$9,346        | \$226,495 | \$9,658,475 |

### Tax Rates

|                                       | Harford County | Maryland   |
|---------------------------------------|----------------|------------|
| Corporate Income Tax (2015)           | None           | 8.25%      |
| Personal Income Tax (2015)            | 3.06%          | 2.0%-5.75% |
| Sales & Use Tax (2015)                | None           | 6.0%       |
| Real Property Tax (2015)              | \$1.04         | 0.112      |
| Business Personal Property Tax (2015) | \$2.60         | None       |

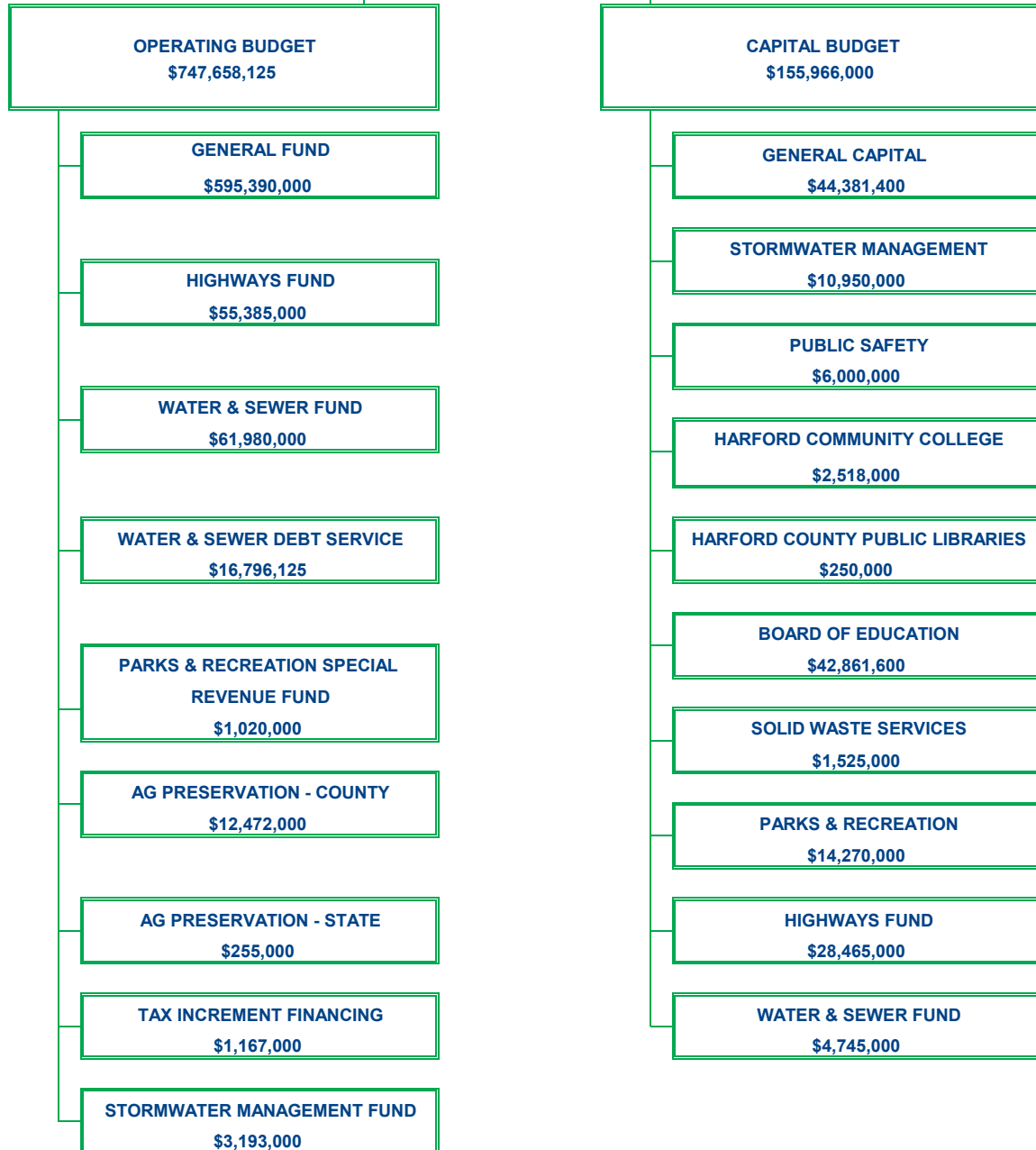
Major Tax Credits Available:

*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 15, 2019 for a \$40,000,000 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.

**HARFORD COUNTY**  
**TOTAL FY 20 APPROVED BUDGET ALL FUNDS**  
**\$903,624,125**

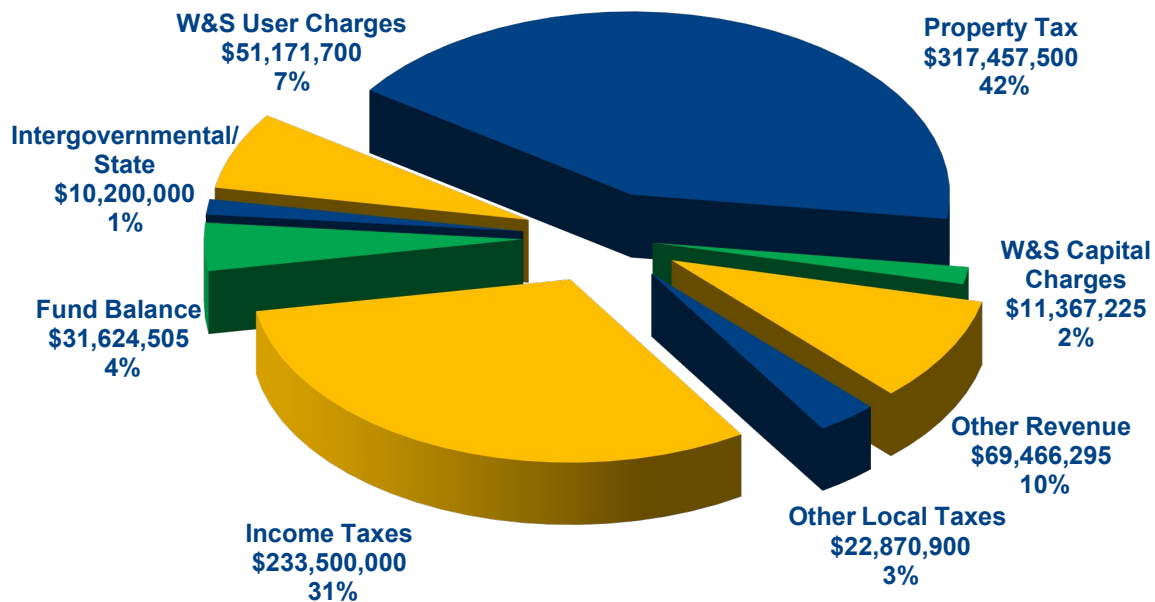




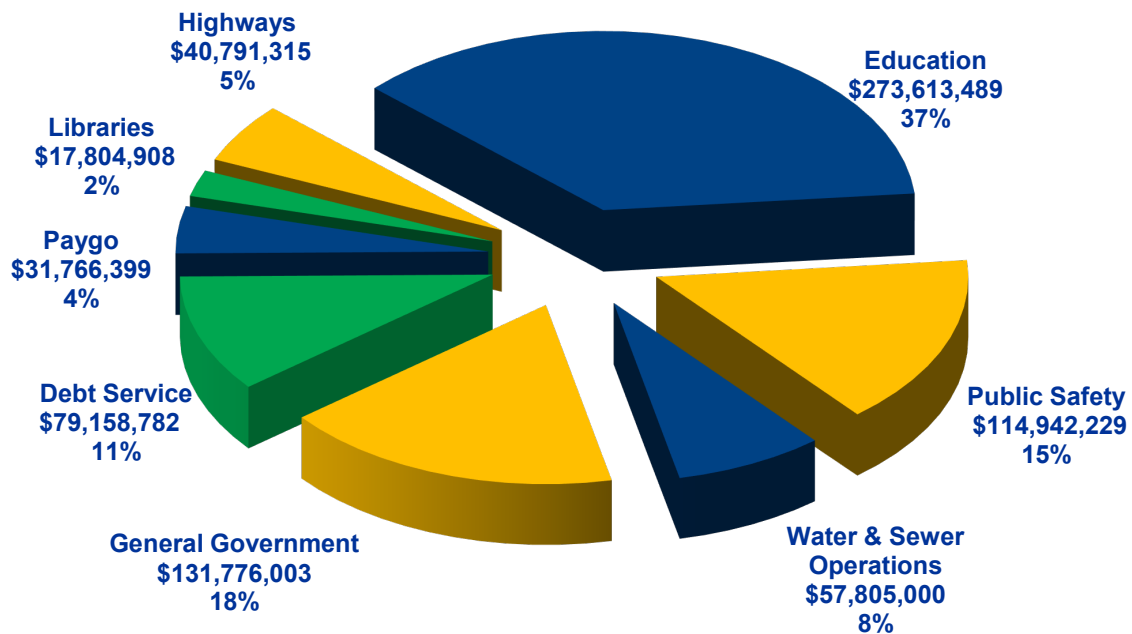
## ALL FUNDS OPERATING BUDGETS

Fiscal Year 2019-2020

TOTAL APPROVED REVENUES \$747,658,125



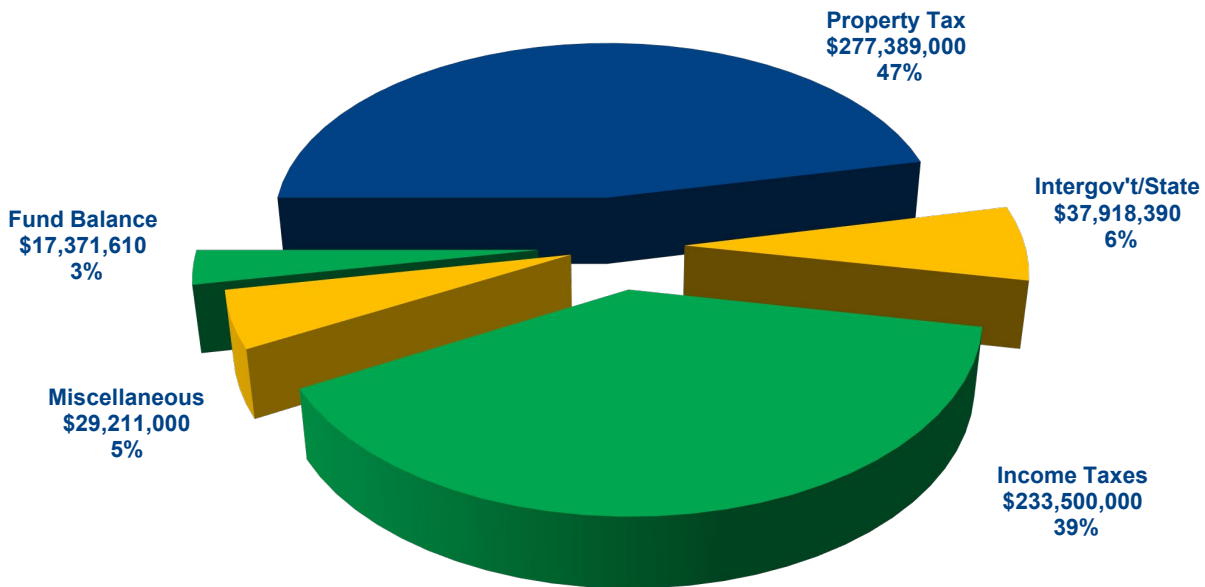
TOTAL APPROVED APPROPRIATIONS \$747,658,125



# GENERAL FUND REVENUES

## Fiscal Year 2019 - 2020

### TOTAL APPROVED BUDGET \$595,390,000



#### FY 2020 APPROVED GENERAL FUND REVENUE BREAKDOWN

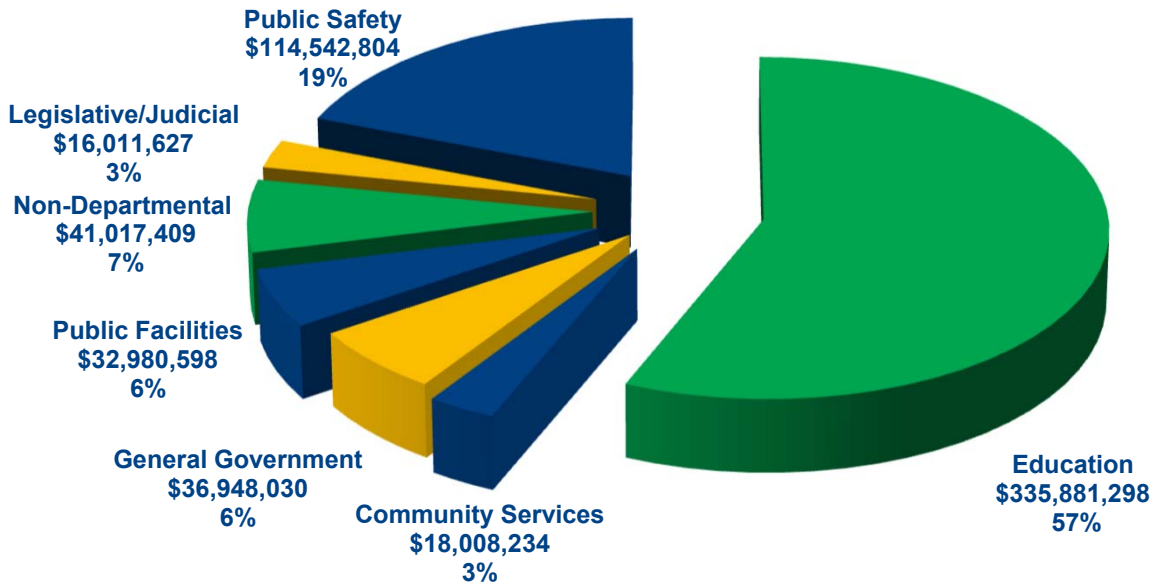
|                        |             |            |                    |                          |            |                    |
|------------------------|-------------|------------|--------------------|--------------------------|------------|--------------------|
| <b>PROPERTY TAXES:</b> |             | <b>47%</b> | <b>277,389,000</b> | <b>INCOME TAX</b>        | <b>39%</b> | <b>233,500,000</b> |
| Real & Personal        | 282,375,000 |            |                    |                          |            |                    |
| Deductions             | (4,986,000) |            |                    |                          |            |                    |
| <b>MISCELLANEOUS:</b>  |             | <b>5%</b>  | <b>29,211,000</b>  | <b>INTERGOV'T/STATE:</b> | <b>6%</b>  | <b>37,918,390</b>  |
| Investment Income      | 1,630,000   |            |                    | Intergovernmental        | 6,155,000  |                    |
| License & Permits      | 4,502,600   |            |                    | Intra-County             | 2,366,479  |                    |
| Other Taxes            | 6,540,000   |            |                    | Pro Rata                 | 6,180,911  |                    |
| Service Charges        | 15,324,000  |            |                    | Recordation              | 11,765,600 |                    |
| Fines & Forfeitures    | 133,400     |            |                    | Transfer                 | 11,450,400 |                    |
| Miscellaneous Revenues | 1,081,000   |            |                    |                          |            |                    |
|                        |             |            |                    | <b>FUND BALANCE</b>      | <b>3%</b>  | <b>17,371,610</b>  |

|                                    |                    |
|------------------------------------|--------------------|
| <b>TOTAL GENERAL FUND REVENUES</b> | <b>595,390,000</b> |
|------------------------------------|--------------------|

# GENERAL FUND APPROPRIATIONS

Fiscal Year 2019 - 2020

**TOTAL APPROVED BUDGET \$595,390,000**



## FY 2020 APPROVED GENERAL FUND APPROPRIATION BREAKDOWN

|                                 |              |                    |                   |                                |              |                    |
|---------------------------------|--------------|--------------------|-------------------|--------------------------------|--------------|--------------------|
| <b>GENERAL GOVERNMENT:</b>      |              | <b>6.2%</b>        | <b>36,948,030</b> | <b>EDUCATION:</b>              | <b>56.4%</b> | <b>335,881,298</b> |
| County Executive                |              | 776,516            |                   |                                |              |                    |
| Administration                  |              | 10,665,326         |                   | Public Schools:                | 50.0%        | 297,542,559        |
| Procurement                     |              | 866,199            |                   | Board of Ed. Operating         |              | 256,465,645        |
| Treasury                        |              | 3,799,963          |                   | Board of Ed. Debt Service      |              | 34,704,889         |
| Law                             |              | 2,372,833          |                   | Board of Ed. PAYGO             |              | 3,022,600          |
| Human Resources                 |              | 2,283,418          |                   | HCSO School Policing Unit      |              | 3,349,425          |
| Office of Gov't & Comm. Rel.    |              | 1,229,757          |                   |                                |              |                    |
| Info. & Comm. Technology        |              | 10,963,694         |                   | Harford Community College:     | 3.0%         | 20,283,831         |
| Planning & Zoning               |              | 3,990,324          |                   | HCC Operating                  |              | 17,147,844         |
|                                 |              |                    | <b>32,980,598</b> | HCC Debt Service               |              | 3,135,987          |
| <b>PUBLIC FACILITIES:</b>       | <b>5.5%</b>  |                    |                   |                                |              |                    |
| Public Works                    |              | 21,438,441         |                   | Harford County Public Library: | 3.0%         | 18,054,908         |
| Natural Resources               |              | 807,883            |                   | HCPL Operating                 |              | 17,804,908         |
| Rural Legacy Program            |              | 50,000             |                   | HCPL PAYGO                     |              | 250,000            |
| Parks & Recreation              |              | 10,684,274         |                   |                                |              |                    |
|                                 |              |                    |                   | <b>LEGISLATIVE/JUDICIAL:</b>   | <b>2.7%</b>  | <b>16,011,627</b>  |
| <b>PUBLIC SAFETY:</b>           | <b>19.2%</b> | <b>114,542,804</b> |                   | County Council                 |              | 3,371,089          |
| Sheriff                         |              | 81,329,657         |                   | Judicial                       |              | 3,646,472          |
| Emergency Services              |              | 14,688,423         |                   | State's Attorney               |              | 6,339,047          |
| Volunteer Fire Companies        |              | 7,037,245          |                   | Elections                      |              | 2,655,019          |
| EMS Foundation                  |              | 4,196,668          |                   |                                |              |                    |
| Inspections, Licenses & Permits |              | 3,390,811          |                   | <b>NON-DEPARTMENTAL:</b>       | <b>6.9%</b>  | <b>41,017,409</b>  |
| Humane Society                  |              | 950,000            |                   | Insurance                      |              | 697,088            |
| PAYGO (Public Safety)           |              | 2,950,000          |                   | Benefits                       |              | 9,671,601          |
|                                 |              |                    |                   | Contingency Reserve            |              | 100,000            |
| <b>COMMUNITY SERVICES:</b>      | <b>3.0%</b>  | <b>18,008,234</b>  |                   | Capital Improvements (General) |              | 3,550,000          |
| Community Services              |              | 5,317,771          |                   | Grant Matches                  |              | 3,799,821          |
| Health                          |              | 3,815,987          |                   | Debt Service (General)         |              | 18,472,074         |
| Handicapped Centers             |              | 2,454,825          |                   | Appropriation to Towns         |              | 3,606,825          |
| Community & Economic Dev.       |              | 6,419,651          |                   | Appropriation to State         |              | 1,120,000          |

**TOTAL GENERAL FUND APPROPRIATIONS**

**595,390,000**

## GENERAL FUND

|                              |                      |                              |                      |               |                     |
|------------------------------|----------------------|------------------------------|----------------------|---------------|---------------------|
| <b>FY 19 APPROVED BUDGET</b> | <b>\$571,655,000</b> | <b>FY 20 APPROVED BUDGET</b> | <b>\$595,390,000</b> | <b>CHANGE</b> | <b>\$23,735,000</b> |
|------------------------------|----------------------|------------------------------|----------------------|---------------|---------------------|

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 (86%) of our projected General Fund Revenues come from Property Taxes and Income Taxes.

|                              |                |               |     |                     |
|------------------------------|----------------|---------------|-----|---------------------|
| <b><u>PROPERTY TAXES</u></b> | FY 20 Approved | \$277,389,000 | 47% | of the General Fund |
|                              | FY 19 Approved | \$269,879,000 | 47% | of the General Fund |
|                              | \$ growth      | \$7,510,000   |     |                     |
|                              | % growth       | 2.78%         |     |                     |

In FY 20, the percent of overall increase in property tax revenue is 2.78% or \$7,510,000. The increase is due to the properties being reassessed, known as "Group 1" having property values increased on average by 9.1% statewide. In Harford County, residential assessments increased by 6.2% and commercial assessments increased by 3.0% since their last assessment. FY 20 is the sixth year of positive assessment growth in Harford County.

|                            |                |               |     |                     |
|----------------------------|----------------|---------------|-----|---------------------|
| <b><u>INCOME TAXES</u></b> | FY 20 Approved | \$233,500,000 | 39% | of the General Fund |
|                            | FY 19 Approved | \$226,700,000 | 40% | of the General Fund |
|                            | \$ growth      | \$6,800,000   |     |                     |
|                            | % growth       | 3.00%         |     |                     |

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 19 actual amount to be what we have originally budgeted \$226,700,000. FY 20 will be our ninth year of positive growth in income tax for Harford County.

|                              |                |              |     |                     |
|------------------------------|----------------|--------------|-----|---------------------|
| <b><u>OTHER REVENUES</u></b> | FY 20 Approved | \$84,501,000 | 14% | of the General Fund |
|                              | FY 19 Approved | \$75,076,000 | 13% | of the General Fund |
|                              | \$ growth      | \$9,425,000  |     |                     |
|                              | % growth       | 12.55%       |     |                     |

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

|                               | <b><u>FY 19</u></b> | <b><u>FY 20</u></b> | <b><u>Change</u></b> |
|-------------------------------|---------------------|---------------------|----------------------|
| <b><u>Recordation Tax</u></b> | \$12,406,700        | \$11,765,600        | (\$641,100)          |

In FY 20, we are anticipating to transfer \$1,100,000 of accumulated recordation tax and \$10,665,600 of current year recordation tax to the General Fund for school debt.

|                            |             |              |             |
|----------------------------|-------------|--------------|-------------|
| <b><u>Transfer Tax</u></b> | \$9,350,000 | \$11,450,400 | \$2,100,400 |
|----------------------------|-------------|--------------|-------------|

In FY 20, we are anticipating to transfer \$1,800,400 of accumulated transfer tax and \$9,650,000 of new transfer tax to the General Fund to pay school debt.

|   |              |              |             |
|---|--------------|--------------|-------------|
| <b><u>Fund Balance Appropriated</u></b> | \$13,913,945 | \$17,371,610 | \$3,457,665 |
|---|--------------|--------------|-------------|

Governmental funds report the difference between their assets and liabilities as fund balance. In FY 19, we appropriated \$13,913,945 of assigned fund balance. In FY 20 we have appropriated \$17,371,610 of unassigned fund balance.

|   |              |              |             |
|---|--------------|--------------|-------------|
| <b><u>All "Other" Revenues combined</u></b> | \$39,325,355 | \$43,913,390 | \$4,588,035 |
|---|--------------|--------------|-------------|

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



## GENERAL FUND EXPENDITURES

|   | ORIGINAL<br>BUDGET<br>FY 19 | EXECUTIVE<br>APPROVED<br>FY 20 | CHANGE<br>FY 20 VS. FY 19 |
|---|-----------------------------|--------------------------------|---------------------------|
| <b><u>GENERAL FUND SUMMARY BY DEPARTMENT:</u></b> |                             |                                |                           |
| COUNTY EXECUTIVE                                  | 758,726                     | 776,516                        | 17,790                    |
| ADMINISTRATION                                    | 10,339,406                  | 10,665,326                     | 325,920                   |
| PROCUREMENT                                       | 911,221                     | 866,199                        | (45,022)                  |
| TREASURY  | 3,665,712                   | 3,799,963                      | 134,251                   |
| LAW   | 2,161,309                   | 2,372,833                      | 211,524                   |
| PLANNING AND ZONING                               | 3,917,277                   | 3,990,324                      | 73,047                    |
| HUMAN RESOURCES                                   | 2,144,026                   | 2,283,418                      | 139,392                   |
| COMMUNITY SERVICES                                | 5,139,637                   | 5,317,771                      | 178,134                   |
| HANDICAPPED CARE CENTERS                          | 2,408,730                   | 2,454,825                      | 46,095                    |
| HEALTH  | 3,775,987                   | 3,815,987                      | 40,000                    |
| OFFICE OF GOV'T & COMMUNITY RELATIONS             | 1,199,523                   | 1,229,757                      | 30,234                    |
| INFORMATION & COMMUNICATION TECHNOLOGY            | 9,808,056                   | 10,963,694                     | 1,155,638                 |
| SHERIFF'S OFFICE                                  | 81,203,021                  | 84,679,082                     | 3,476,061                 |
| EMERGENCY SERVICES                                | 24,192,108                  | 25,922,336                     | 1,730,228                 |
| INSPECTIONS, LICENSES AND PERMITS                 | 3,247,709                   | 3,390,811                      | 143,102                   |
| PUBLIC WORKS (includes Solid Waste)               | 18,014,229                  | 21,438,441                     | 3,424,212                 |
| COUNTY COUNCIL                                    | 3,241,639                   | 3,371,089                      | 129,450                   |
| JUDICIAL  | 3,545,253                   | 3,646,472                      | 101,219                   |
| STATE'S ATTORNEY                                  | 6,075,073                   | 6,339,047                      | 263,974                   |
| ELECTIONS   | 2,359,305                   | 2,655,019                      | 295,714                   |
| BOARD OF EDUCATION                                | 245,815,645                 | 256,465,645                    | 10,650,000                |
| HARFORD COMMUNITY COLLEGE                         | 16,811,612                  | 17,147,844                     | 336,232                   |
| LIBRARIES   | 17,472,912                  | 17,804,908                     | 331,996                   |
| PARKS AND RECREATION                              | 9,682,090                   | 10,684,274                     | 1,002,184                 |
| CONSERVATION OF NATURAL RESOURCES                 | 734,800                     | 807,883                        | 73,083                    |
| COMMUNITY & ECONOMIC DEVELOPMENT                  | 6,423,849                   | 6,419,651                      | (4,198)                   |
| DEBT SERVICE                                      | 56,538,121                  | 56,312,950                     | (225,171)                 |
| INSURANCE   | 714,176                     | 697,088                        | (17,088)                  |
| BENEFITS  | 9,071,042                   | 9,671,601                      | 600,559                   |
| MISCELLANEOUS                                     | 20,182,806                  | 19,299,246                     | (883,560)                 |
| RESERVE FOR CONTINGENCIES                         | 100,000                     | 100,000                        | 0                         |
| <b>TOTALS:</b>                                    | <b>571,655,000</b>          | <b>595,390,000</b>             | <b>23,735,000</b>         |

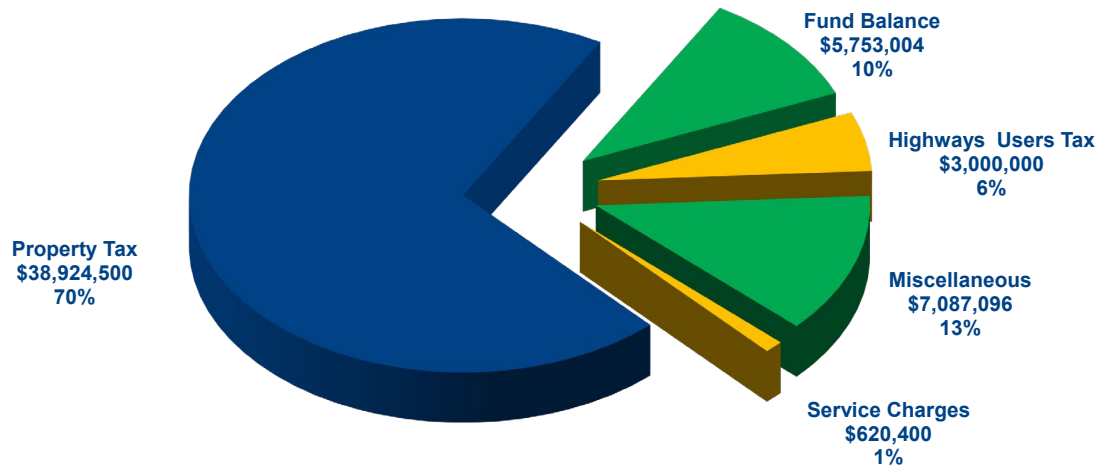
### **EXPLANATION OF SIGNIFICANT CHANGES:**

The General Fund (including Solid Waste) realizes an increase of \$23,735,000 over FY 19.

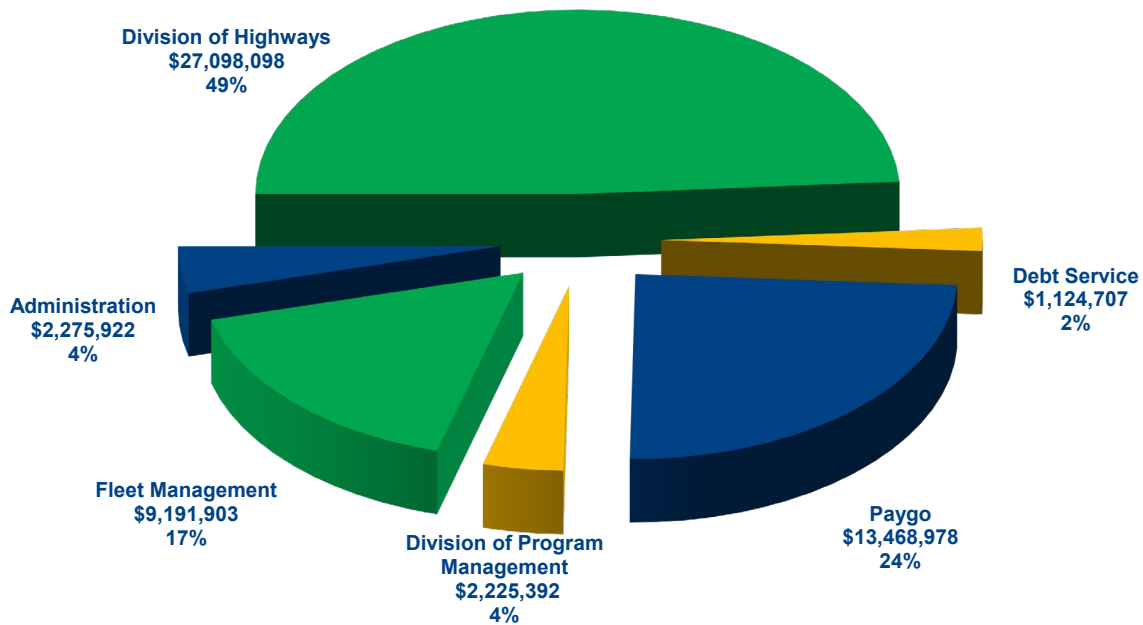
- o Includes a merit increase of \$2,000 for all General Government employees, State's Attorney's Office, Circuit Court system, and Sheriff's Office civilian employees
- o One step increase plus 1% COLA for law enforcement deputies and corrections officers
- o Increase in funding for Board of Education operating budget @ \$10,650,000 of which \$10 million is dedicated to raising instructional salaries and \$650,000 to strengthen mental health services with added support for school psychologists
- o Increase funds equivalent to 2% for both Harford Community College and Harford County Public Library
- o Historic level funding for our first responders include a 2% increase to our Volunteer Fire Companies; \$650,000 more for the Harford County Volunteer Fire and EMS Foundation; and a contribution of \$250,000 to Jarrettsville Volunteer Fire Company to assist with repairing the fire protection pond.
- o Continued support for our community organizations: with increases to Harford County Humane Society, Harford Center, The Arc Northern Chesapeake, Miracle League, and Havre de Grace Colored High School Foundation

**FY 2019 - 2020  
HIGHWAYS FUND**

**REVENUES  
TOTAL APPROVED BUDGET \$55,385,000**



**APPROPRIATIONS  
TOTAL APPROVED BUDGET \$55,385,000**



|                |              |                |              |        |             |
|----------------|--------------|----------------|--------------|--------|-------------|
| FY 19 APPROVED | \$50,950,000 | FY 20 APPROVED | \$55,385,000 | CHANGE | \$4,435,000 |
|----------------|--------------|----------------|--------------|--------|-------------|

**Explanation of Significant Changes:** Merit increase of \$2,000 to eligible employees @ \$422,399; Other Professional Services increases for new process that uses ultra violet light cured fiberglass to repair stormdrains \$256,000; 'Grounds Maintenance increases for one additional tree trimming crew \$260,000; Fleet Management increases for vehicle maintenance contract \$200,000; Highways share of Pro-Rata increases \$196,540; Paygo increases \$2,623,012 for bridge and road repairs; and an increase in Snow Removal Overtime \$200,000.

**FY 2019 - 2020  
STORMWATER MANAGEMENT FUND**

**REVENUES  
TOTAL APPROVED BUDGET \$3,193,000**



**APPROPRIATIONS  
TOTAL APPROVED BUDGET \$3,193,000**




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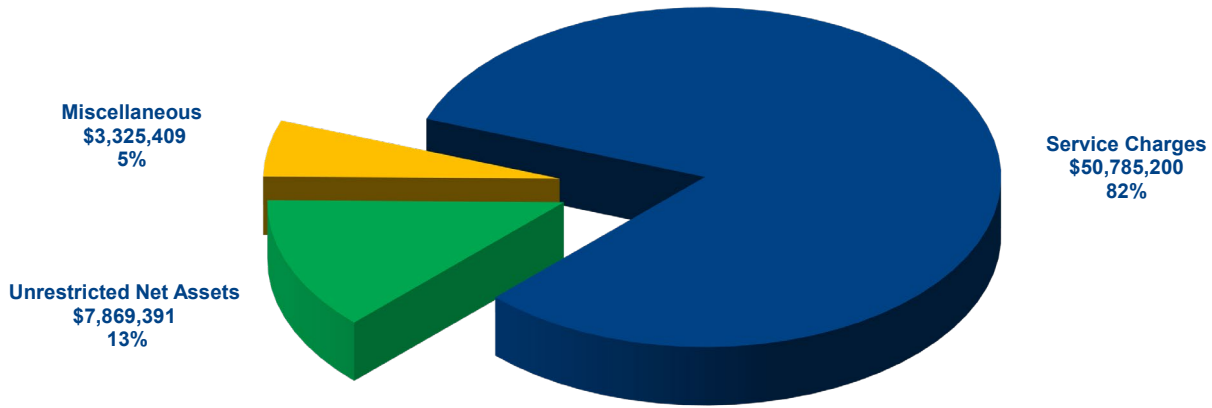
|                       |                    |                       |                    |               |                  |
|-----------------------|--------------------|-----------------------|--------------------|---------------|------------------|
| <b>FY 19 APPROVED</b> | <b>\$2,512,000</b> | <b>FY 20 APPROVED</b> | <b>\$3,193,000</b> | <b>CHANGE</b> | <b>\$681,000</b> |
|-----------------------|--------------------|-----------------------|--------------------|---------------|------------------|

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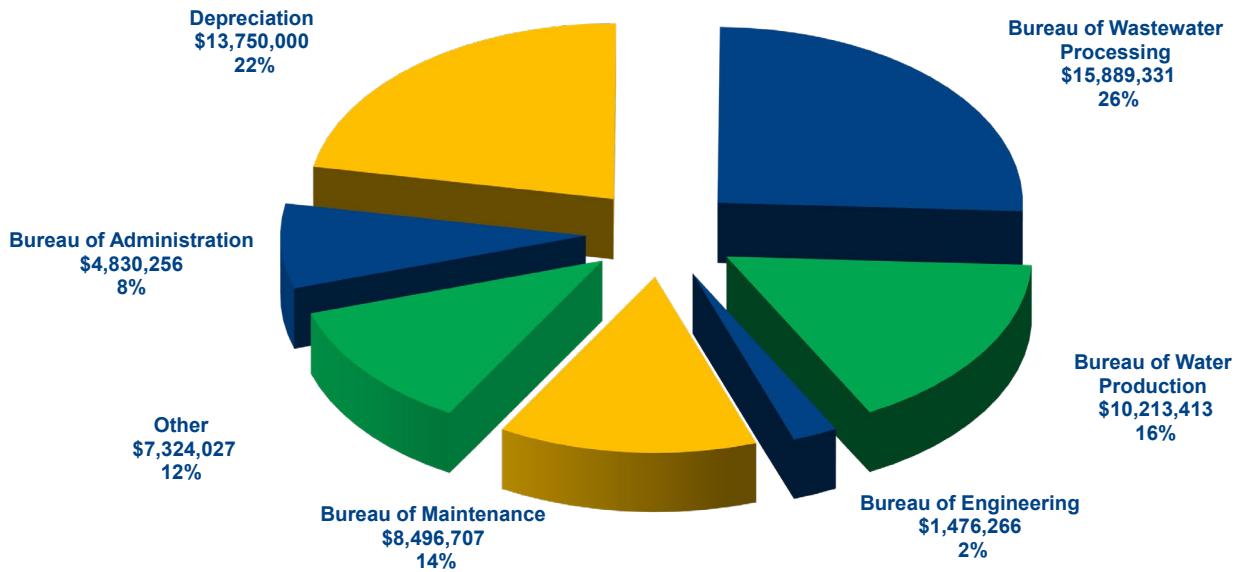
This fund is a special account for deposit of a certain portion of the recordation tax, \$0.55 for each \$500 of the sale price (or lien amount) for each property deed recorded. The proceeds of this fund are used for the County's watershed protection and restoration program as mandated under State of Maryland law. The State requires a separate fund be established for this purpose.

**FY 2019 - 2020  
WATER & SEWER OPERATING FUND**

**REVENUES  
TOTAL APPROVED BUDGET \$61,980,000**



**APPROPRIATIONS  
TOTAL APPROVED BUDGET \$61,980,000**



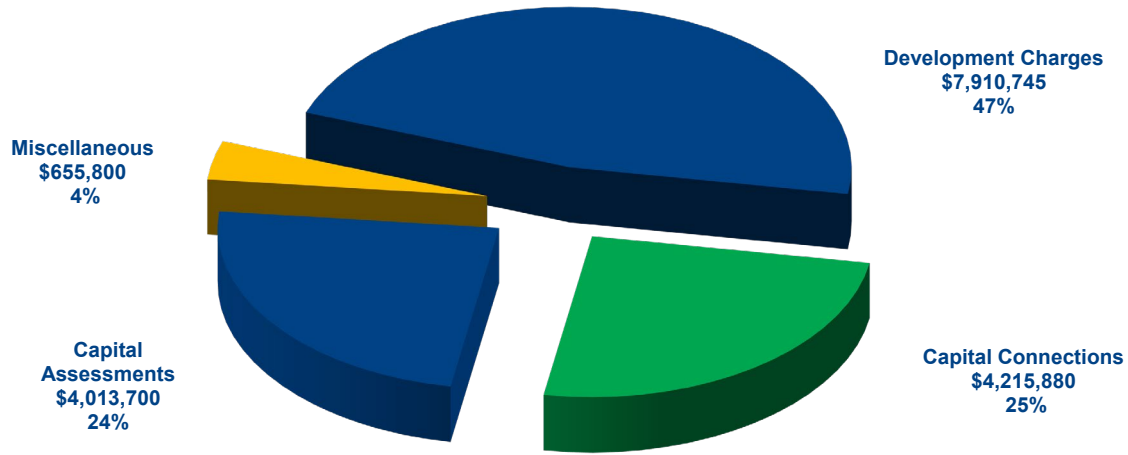
|                       |                     |                       |                     |               |                  |
|-----------------------|---------------------|-----------------------|---------------------|---------------|------------------|
| <b>FY 19 APPROVED</b> | <b>\$61,050,000</b> | <b>FY 20 APPROVED</b> | <b>\$61,980,000</b> | <b>CHANGE</b> | <b>\$930,000</b> |
|-----------------------|---------------------|-----------------------|---------------------|---------------|------------------|

**Explanation of Significant Changes:** Merit increase of \$2,000 for eligible employees @ \$387,297; Facility Repairs and Other Professional Services increased for temporary de-watering, switch gear replacement and other preventative maintenance \$1,319,500; Water purchase from City of Baltimore \$170,000; Water Meter Purchase \$83,000; Equipment Purchases for pumps, valves etc. \$143,000; \$665,000 for Pro Rata and Depreciation; Payments to Delta Borough for treatment of waste \$58,000; decrease in Paygo of (\$2,365,000).

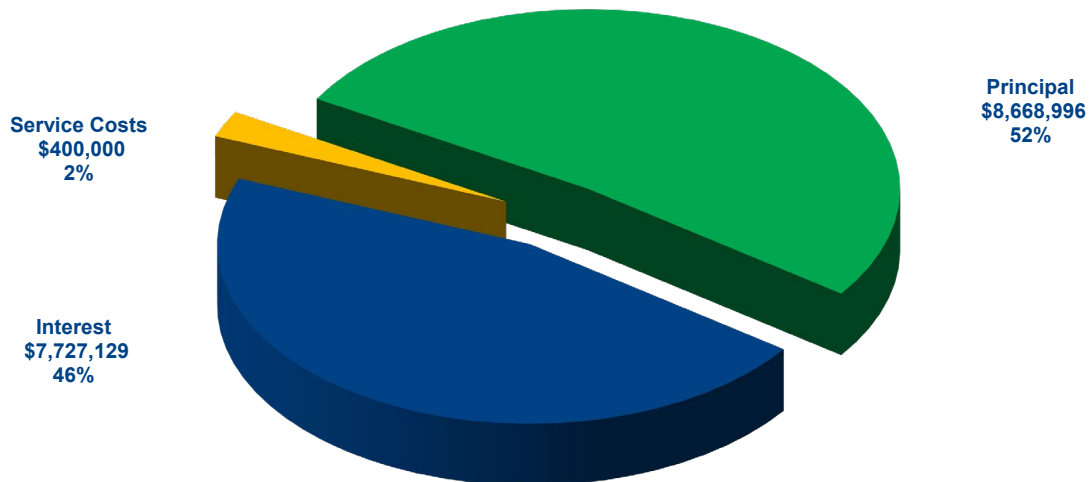


**FY 2019 - 2020  
WATER & SEWER DEBT SERVICE**

**REVENUES  
TOTAL APPROVED BUDGET \$16,796,125**



**APPROPRIATIONS  
TOTAL APPROVED BUDGET \$16,796,125**



|                       |                     |                       |                     |               |                  |
|-----------------------|---------------------|-----------------------|---------------------|---------------|------------------|
| <b>FY 19 APPROVED</b> | <b>\$15,933,150</b> | <b>FY 20 APPROVED</b> | <b>\$16,796,125</b> | <b>CHANGE</b> | <b>\$862,975</b> |
|-----------------------|---------------------|-----------------------|---------------------|---------------|------------------|

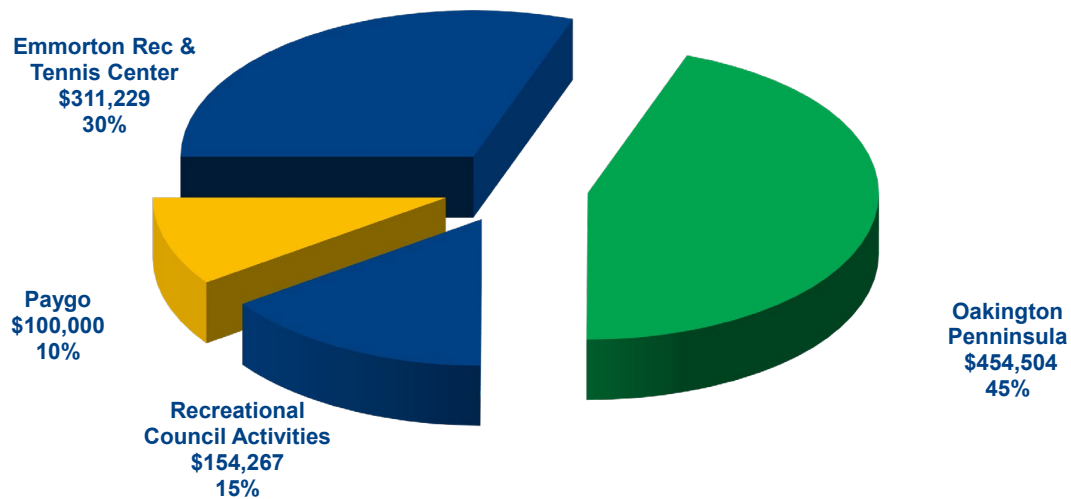
The Water & Sewer Debt Service Fund provides appropriation authority for the payment of principal and interest on long-term water and sewer bonds and loans used to finance the capital projects of the County-owned water & sewer system. The increase in funding for FY 20 is a result of the principal and interest payments adjusted to amounts due on outstanding debt.

**FY 2019 - 2020  
PARKS AND RECREATION  
SPECIAL REVENUE FUND**

**REVENUES  
TOTAL APPROVED BUDGET \$1,020,000**



**APPROPRIATIONS  
TOTAL APPROVED BUDGET \$1,020,000**



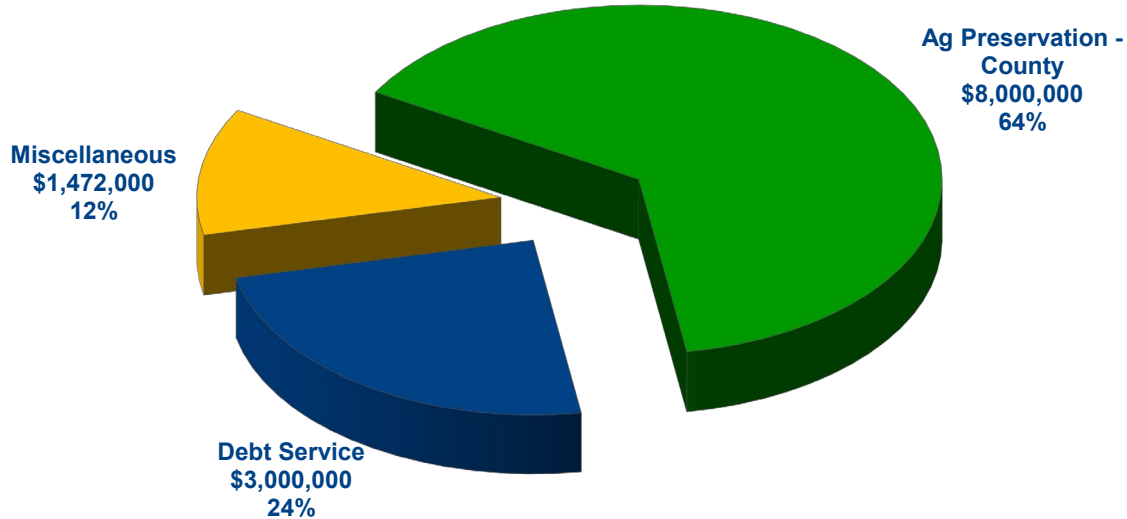
|                       |                  |                       |                    |               |                 |
|-----------------------|------------------|-----------------------|--------------------|---------------|-----------------|
| <b>FY 19 APPROVED</b> | <b>\$926,000</b> | <b>FY 20 APPROVED</b> | <b>\$1,020,000</b> | <b>CHANGE</b> | <b>\$94,000</b> |
|-----------------------|------------------|-----------------------|--------------------|---------------|-----------------|

**Explanation of Significant Changes:** Personal Services increase \$20,630 for adjustments to temporary salaries and fringe benefits. Contractual Services decrease (\$4,300) based on actual expense history and due to additional programs utilizing in-house Parks & Rec staff. Supplies & Materials decrease (\$6,335) based on actual expense history. Pro Rata shares for reimbursement of General Fund administrative support increases \$9,005; and funding appropriated in the FY 20 Capital Budget for Swan Harbor Farm at \$50,000 and Emmorton Rec & Tennis Center at \$50,000.

**FY 2019 - 2020  
COUNTY - AG PRESERVATION  
REVENUES  
TOTAL APPROVED BUDGET \$12,472,000**



**APPROPRIATIONS  
TOTAL APPROVED BUDGET \$12,472,000**

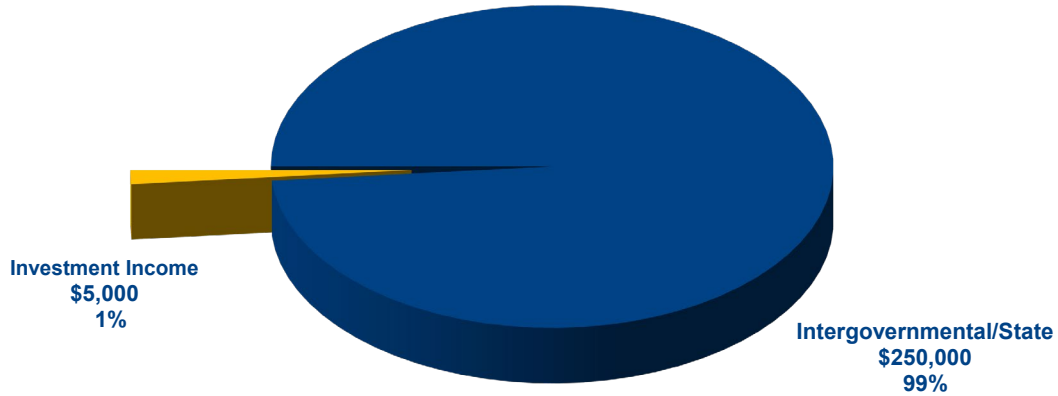


|                |              |                |              |        |                |
|----------------|--------------|----------------|--------------|--------|----------------|
| FY 19 APPROVED | \$30,080,000 | FY 20 APPROVED | \$12,472,000 | CHANGE | (\$17,608,000) |
|----------------|--------------|----------------|--------------|--------|----------------|

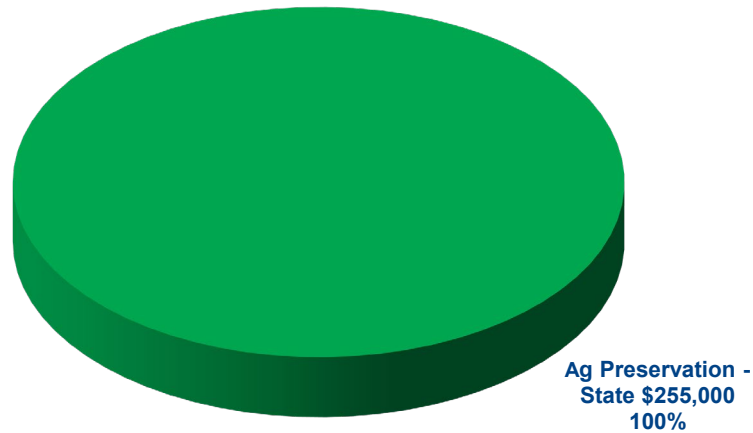
Harford County is committed to Agricultural Land Preservation. An allocation of \$8,000,000 is provided for purchase of Ag Preservation easements.

**FY 2019 - 2020  
STATE - AG PRESERVATION**

**REVENUES  
TOTAL APPROVED BUDGET \$255,000**



**APPROPRIATIONS  
TOTAL APPROVED BUDGET \$255,000**



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|                       |                  |                       |                  |               |                    |
|-----------------------|------------------|-----------------------|------------------|---------------|--------------------|
| <b>FY 19 APPROVED</b> | <b>\$355,000</b> | <b>FY 20 APPROVED</b> | <b>\$255,000</b> | <b>CHANGE</b> | <b>(\$100,000)</b> |
|-----------------------|------------------|-----------------------|------------------|---------------|--------------------|

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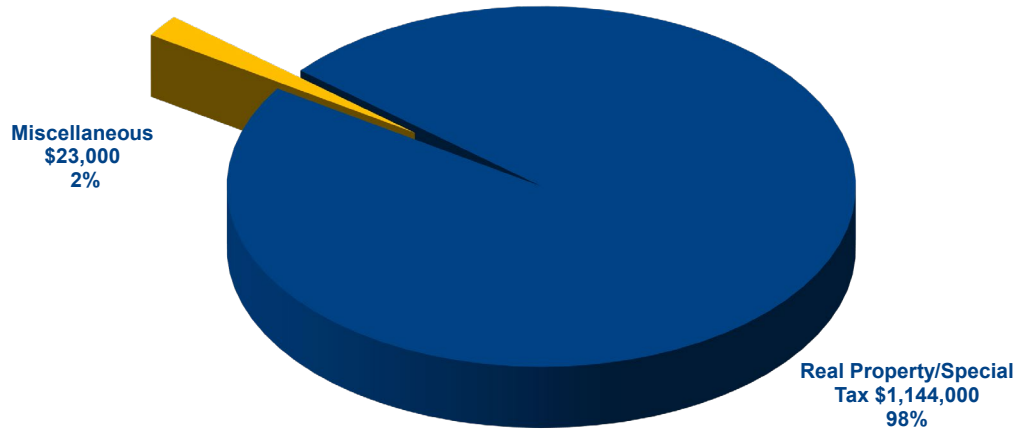
Harford County's Agricultural Program is certified, therefore, the Program can retain 75% of the Agricultural Transfer Tax collected. For FY 20, it is projected that the County's share of the State Agricultural Tax will be \$255,000.

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 \$225,000.

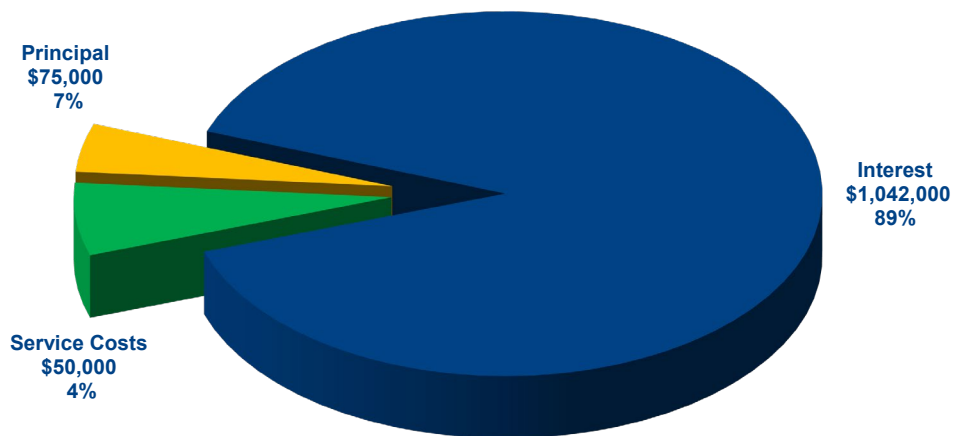


**FY 2019 - 2020  
TAX INCREMENT FINANCING**

**REVENUES  
TOTAL APPROVED BUDGET \$1,167,000**



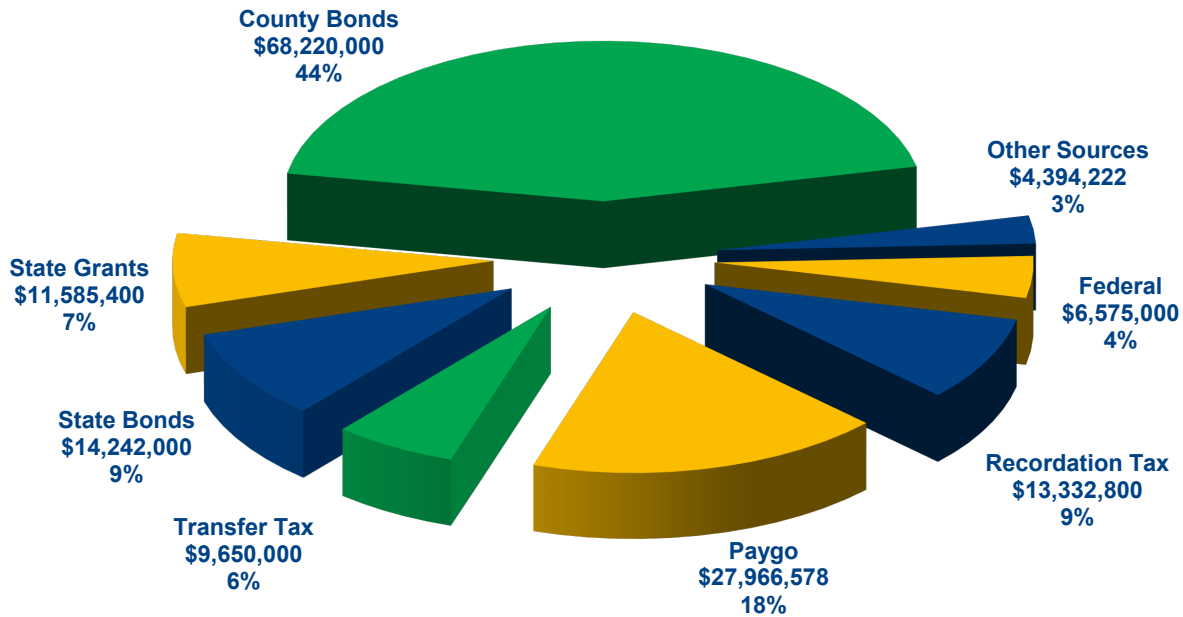
**APPROPRIATIONS  
TOTAL APPROVED BUDGET \$1,167,000**



|                       |                    |                       |                    |               |                 |
|-----------------------|--------------------|-----------------------|--------------------|---------------|-----------------|
| <b>FY 19 APPROVED</b> | <b>\$1,145,875</b> | <b>FY 20 APPROVED</b> | <b>\$1,167,000</b> | <b>CHANGE</b> | <b>\$21,125</b> |
|-----------------------|--------------------|-----------------------|--------------------|---------------|-----------------|

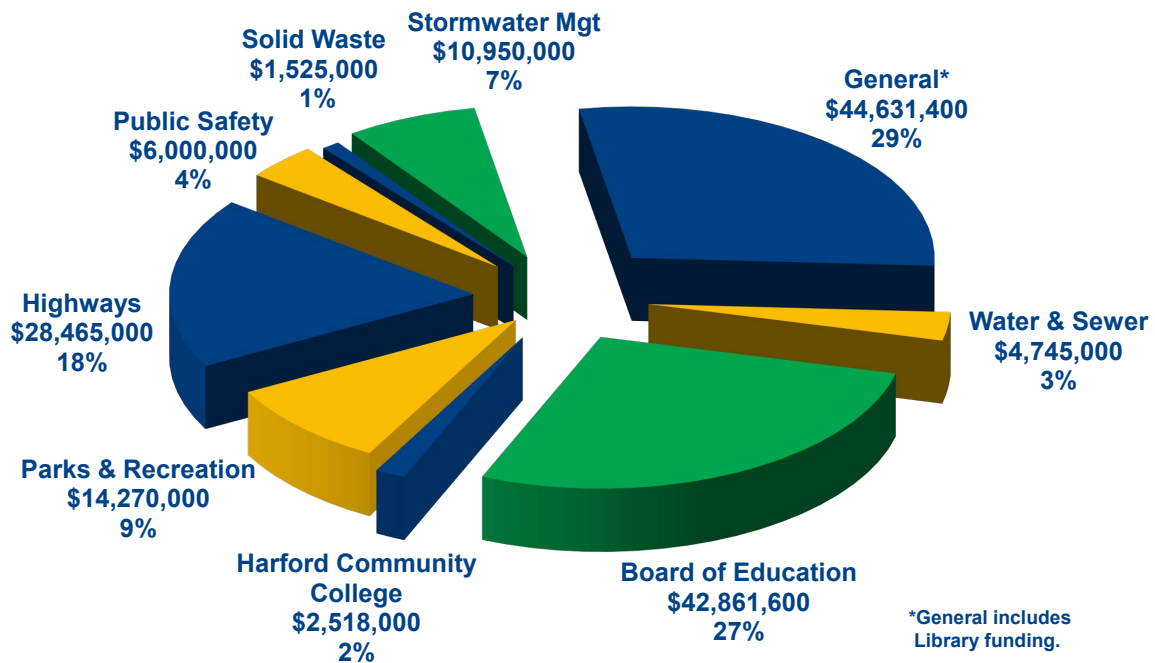
The Beechcreek Estates Tax Increment Fund is a special fund authorized by Bill 10-10. The Bill provided that the County could not issue more than \$14,000,000 for Beechcreek Estates in special obligation bonds to finance or reimburse the cost of the public improvements benefitting the district. The Bill 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 2019-2020  
APPROVED CAPITAL BUDGET  
REVENUES  
TOTAL BUDGET \$155,966,000**




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**APPROPRIATIONS  
TOTAL BUDGET \$155,966,000**





## **COUNTY EXECUTIVE**

BARRY GLASSMAN

## **DIRECTOR OF ADMINISTRATION**

Billy Boniface

## **BUDGET AND EFFICIENCY**

Kimberly Spence, *Chief*

Ben Lloyd, *Senior Budget Analyst*

Marlana McKenna, *Project Coordinator*

Christen Sullivan, *Senior Budget Analyst*

William T. Watson, *Senior Budget Analyst*



## **TREASURER**

Robert Sandlass

## **COUNTY COUNCIL**

Patrick S. Vincenti, Council President

Andre V. Johnson, District A

Joseph M. Woods, District B

Tony "G" Giangliordano, District C

Chad Shrodes, District D

Robert S. Wagner, District E

Curtis L. Beulah, District F